DOCUMENT RESUME

ED 465 210 EA 031 690

TITLE	Key Topics in Education in Europe, Volume 2. Financing and Management of Resources in Compulsory Education: Trends in National Policies.
INSTITUTION	EURYDICE European Unit, Brussels (Belgium).
SPONS AGENCY	Commission of the European Communities, Brussels (Belgium). Directorate-General for Education and Culture.
ISBN	ISBN-92-828-8540-2
PUB DATE	2000-00-00
NOTE	519p.; For Volume I, see ED 442 314. Figures may not reproduce well.
AVAILABLE FROM	EURYDICE European Unit, Rue d'Arlon 15, B-1050, Brussels, Belgium. Tel: 32-2-238-30-11; Fax: 32-2-230-65-62; e-mail: eurydice.uee@euronet.be. For full text: http://www.eurydice.org.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF02/PC21 Plus Postage.
DESCRIPTORS	*Educational Policy; Elementary Secondary Education; Foreign Countries; *International Education; *National Programs; *Public Policy; *Resource Allocation; Student Financial Aid
IDENTIFIERS	*Europe; EURYDICE

ABSTRACT

This volume is the second in a series of comparative studies carried out by EURYDICE (Education Information Network in the European Community) and is intended to provide indepth analyses of specific issues of major interest for policy decision-makers and educational cooperation at the European level. The general introduction of this book sets out the definitions needed to understand the scope of the analysis, specifies the schools concerned in each country, defines the different levels of authority and resource categories, and presents statistical indicators. A comparative study follows containing six thematic chapters: (1) "The Right to Education and Freedom in Education"; (2) "The Division of Responsibilities, Autonomy of Local Authorities and Schools"; (3) "Determining the Amount of Resources Awarded to Schools"; (4) "Additional Funding for Schools with Pupils Comprising Special Target Populations"; (5) "Non-Public Resources and Loans"; and (6) "Education and Market Competition." A glossary and definitions of statistical tools are included before the introduction. Tables at the end of the book summarize the reforms that have been implemented for each country, together with information on the context in which they occurred and the aims they pursued. Appended are lists of EURYDICE network members, national experts, and EUROSTAT contact points. (RT)

Reproductions supplied by EDRS are the best that can be made
from the original document.

EURYDICE

ED 465 210

Key topics in education in Europe

Volume 2

Financing and Management of Resources in Compulsory Education

Trends in national policies

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

G. Delel

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

1

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

EA031690

Socrates

Education and Culture

European Commission

EURYDICE The Information Network on Education in Europe

Key topics in education in Europe

Volume 2

Financing and
Management of Resources
in Compulsory Education

Trends in national policies

Education and Culture
Socrates
European Commission

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu.int).

Luxembourg: Office for Official Publications of the European Communities, 2000

ISBN 92-828-8540-2

© European Communities, 2000

Reproduction is authorised provided the source is acknowledged.

Printed in Italy

PREFACE

Prior to the March 2000 European Council in Lisbon, no European Summit had ever emphasized with the same clarity and consensus the vital part that education and training systems will have to play in ensuring the development of social cohesion in a Europe that is both vibrant and economically vigorous. The importance of investing in human resources is one of the basic points to emerge from the conclusions of this Summit. At the heart of discussions on the future of education systems and the need to gear them to change lies the crucial question of how they will be financed in the years ahead. This indeed is a concern shared by all policy-makers in the European Union. For the debate on this issue to be constructive, we considered that a sound understanding of existing systems of financing and the way they have evolved in recent times was absolutely essential on the part of everyone involved. The main contribution of the present study prepared by the Eurydice Network is to further such understanding.

The study itself is devoted to the financing of compulsory education – the foundation of education systems which shape the skills and attitudes required for the social integration of all citizens. In the European Union and EFTA/EEA countries, around half the total state budget for education is earmarked for the financing of education at this level which accounts for over 45 million pupils. This funding alone corresponds to an average share of 2.4% of the GDP of all EU countries.

However, this financial outlay is far from being the sole aspect involved in understanding the national policies which underpin the funding of education in the various EU and EFTA/EEA countries and the way those policies have developed. Herein lies the very special interest of the study undertaken by Eurydice, in that it provides insight into the different methods of financing the resources awarded to schools, and the main ways in which responsibilities are shared by the different levels at which decisions are taken. The analysis of the reforms undertaken in the last 30 years highlights several very interesting developments, such as the growing autonomy of schools in managing their resources, the increased involvement of the State in financing private education or, yet again, the availability of additional resources for large groups of children who face difficulty at school. Progressive decentralization of the management of education systems is giving rise to steadily more intensive involvement among those concerned with education at the grass roots. This process in which management is getting closer to the level at which needs arise may be regarded as a positive development, on condition however that education is still provided fairly as a public service to all citizens on the same terms. Irrespective of the directions taken by individual systems, the study very clearly demonstrates the extent to which this pressing concern is at the heart of debate and shared by all policy-makers within the Union.

This major project was carried out by the Eurydice Network with the assistance of national experts who are specialists in the economics of education. We are extremely grateful to all concerned for their most interesting and valuable contributions to a complex subject which is now dealt with for the first time in the form of a European-level study.

We trust that the issues covered by the study will enrich debate at national and European levels, helping policy-makers to take up the major challenges which the European Union has set itself for the future as regards the quality of the education provided for its citizens.

Viviane Reding

European Commissioner for Education and Culture

CONTENTS

PREFACE I
TABLE OF CONTENTS III
FOREWORD VII
GLOSSARY AND DEFINITIONS OF STATISTICAL TOOLS IX

GENERAL INTRODUCTION 1

SECTION 1 DEFINITION OF THE SCOPE OF THE ANALYSIS 3
- A. SCHOOLS 3
  - A.1. Primary and lower secondary education 3
  - A.2. Public and grant-aided private education 6
- B. DECISION-MAKING LEVELS 8
  - B.1. The school 8
  - B.2. Authorities acting at the top level 11
  - B.3. Decision-making bodies at intermediate level 12
- C. CATEGORIES OF SCHOOL RESOURCES 14

SECTION 2 STATISTICAL INDICATORS 15
- A. SOURCES OF FUNDING FOR SCHOOLS 15
  - A.1. Primary education 16
  - A.2. Lower secondary education 17
- B. BREAKDOWN OF PUBLIC FUNDING BY PRIMARY AND LOWER SECONDARY LEVELS 18
  - B.1. Public education 18
  - B.2. Grant-aided private education 20
- C. EXPENDITURE PER PUPIL 21
- D. PUBLIC FUNDING FOR COMPULSORY EDUCATION AS A SHARE OF GDP 23
- E. FUNDING OF COMPULSORY EDUCATION AND THE SCHOOL POPULATION 28
- F. PUBLIC FINANCIAL RESOURCES FOR SCHOOLS PROVIDING COMPULSORY EDUCATION 29
- G. PUBLIC FINANCIAL RESOURCES FOR ALL LEVELS OF EDUCATION COMBINED 31
- H. CAPITAL EXPENDITURE PER PUPIL 33
- I. BREAKDOWN OF EXPENDITURE ON PRIMARY SCHOOLS BY MAJOR RESOURCE CATEGORY 34
- J. BREAKDOWN OF EXPENDITURE ON LOWER SECONDARY SCHOOLS BY MAJOR RESOURCE CATEGORY 35

SECTION 3 DIAGRAMS SHOWING FINANCIAL FLOWS 37

COMPARATIVE SURVEY

CHAPTER 1 THE RIGHT TO EDUCATION AND FREEDOM IN EDUCATION 79

I. INTRODUCTION 79
- A. KEY ISSUES 79
- B. THE EUROPEAN AND INTERNATIONAL LEGAL FRAMEWORK 81

II. MEASURES CONCERNING THE RIGHT TO EDUCATION 83
- A. FREE SCHOOLING IN PUBLIC EDUCATION 83
  - A.1. The situation in 1997/98 83
  - A.2. Historical and contextual analysis 87

BEST COPY AVAILABLE

B. THE PERIOD OF COMPULSORY EDUCATION 88
  B.1. The situation in 1997/98 88
  B.2. Historical and contextual analysis 88
III. MEASURES CONCERNING FREEDOM IN EDUCATION 91
A. THE CHOICE OF A SCHOOL IN THE PUBLIC SECTOR 91
  A.1. The situation in 1997/98 91
  A.2. Historical analysis 95
  A.3. Contextual analysis 97
B. THE FUNDING OF THE GRANT-AIDED PRIVATE SECTOR IN RELATION TO PUBLIC EDUCATION 100
  B.1. The situation in 1997/98 100
  B.2. Historical analysis 108
  B.3. Contextual analysis 112
IV. CONCLUSIONS 114

CHAPTER 2 THE DIVISION OF RESPONSIBILITIES, AUTONOMY OF LOCAL AUTHORITIES AND SCHOOLS 115

I. INTRODUCTION 115
A. ISSUES AT STAKE 115
B. DEFINITIONS 116
C. CONTENT OF THE CHAPTER 117
II. DESCRIPTION OF THE CURRENT SITUATION 118
A. SHARING OF RESPONSIBILITY FOR THE ACQUISITION OF STAFF, GOODS AND SERVICES 118
  A.1. Definitions 118
  A.2. Major budgetary headings 118
  A.3. Overall classification of systems 120
  A.4. Differences and continuity between primary and lower secondary schools 124
  A.5. Transfers 129
  A.6. Variable school involvement 130
B. FINANCIAL AUTONOMY OF LOCAL AUTHORITIES 132
  B.1. Autonomy as regards financing 133
  B.2. Shared responsibility in the financing of operational resources and capital 142
  B.3. Autonomy in the use of allocations for several categories of resources 144
  B.4. Summary 145
C. SCHOOL FINANCIAL AUTONOMY 147
  C.1. Limited autonomy of schools for all resource categories 148
  C.2. Autonomy in the use of allocations awarded for one or other category 149
  C.3. Autonomy in establishing budgets for different resources and in their use 155
  C.4. A situation that varies: delegation or otherwise from municipalities to schools 156
  C.5. Summary 158
III. HISTORICAL AND CONTEXTUAL ANALYSIS 160
A. TRANSFERS OF RESPONSIBILITY BETWEEN THE CENTRAL GOVERNMENT AND LOCAL AUTHORITIES 160
  A.1. Different kinds of transfer 160
  A.2. Systematic comparison of reforms and contexts 173
  A.3. Discussion 178
B. DECENTRALIZATION OF THE MANAGEMENT OF RESOURCES TO SCHOOLS 180
  B.1. Reforms involving decentralization 181
  B.2. Systematic comparison of reforms 190
  B.3. Discussion 198
IV. SUMMARY 200

CHAPTER 3 DETERMINING THE AMOUNT OF RESOURCES AWARDED TO SCHOOLS 201
CENTRAL ISSUES 201
DEFINITIONS 202
I. DESCRIPTION OF THE SITUATION IN 1997/98 203
A. METHODS FOR DETERMINING AMOUNTS OF RESOURCES 203
A.1. A given rule is applied systematically 204
A.2. Decisions are at the entire discretion of the ministry or other administrative authority 205
A.3. The method of determining the amounts of resources depends on the local authority concerned 205
B. FACTORS TAKEN INTO ACCOUNT IN DETERMINING THE LEVEL OF SCHOOL RESOURCES 206
C. PROCEDURES FOR DETERMINING AMOUNTS BY RESOURCE CATEGORY 209
C.1. Staff 210
C.2. Operational goods and services 210
C.3. Capital 211
D. METHODS OF DETERMINING THE AMOUNT OF SCHOOL RESOURCES COUNTRY BY COUNTRY 212
E. TRANSPARENCY OR PROXIMITY 215
II. HISTORICAL AND CONTEXTUAL ANALYSIS 216
A. REFORMS ALTERING THE METHOD FOR DETERMINING THE AMOUNTS OF RESOURCES 217
A.1. Historical analysis 217
A.2. Contextual analysis of the reforms 218
B. REFORMS ALTERING THE VALUE OF FACTORS USED TO CALCULATE THE VOLUME OF RESOURCES 223
B.1. Historical analysis 224
B.2. Contextual analysis of the reforms 224
C. SUMMARY 227

CHAPTER 4 ADDITIONAL FUNDING FOR SCHOOLS WITH PUPILS COMPRISING SPECIAL TARGET POPULATIONS 229
I. DESCRIPTION OF THE SITUATION IN 1997/98 230
A. INCREASING THE GENERAL ALLOCATION AWARDED TO SCHOOLS 230
A.1. An increase in the staffing allocation 231
A.2. An increase in the operational and/or capital allocation 232
A.3. An increase in the global allocation of resources for staff and operational activity 232
B. PROVISION OF ADDITIONAL RESOURCES TO SCHOOLS UNDER SCHEMES DRAWN UP AT A HIGHER LEVEL 234
B.1. Additional grants directly allocated to schools by top-level educational authorities 235
B.2. Supplementary allocations by local authorities 238
B.3. Supplementary allocations for actions determined by municipalities 240
C. ALLOCATIONS FROM A HIGHER AUTHORITY TO COVER LOCALLY PROPOSED ACTIVITIES 242
C.1. Allocations for projects proposed by schools 242
C.2. Central government allocations for educational activities drawn up by local authorities under a national scheme 244
D. THE ROLE OF THE SCHOOL IN SECURING ADDITIONAL RESOURCES 245
II. HISTORICAL AND CONTEXTUAL ANALYSIS 247
A. AIMS OF ADDITIONAL FUNDING 247
A.1. Improving performance by all at school 248
A.2. Equivalent provision in education 251
A.3. The desire for integration 252

BEST COPY AVAILABLE

B. ADDITIONAL FUNDING AND DECENTRALIZATION 254
  B.1. The method of funding additional and general resources has remained similar 254
  B.2. Decentralization to municipalities of additional resources management alongside general decentralization of management to schools 255
  B.3. Decentralized responsibility for special programmes where funding has generally remained centralized 255
  B.4. Centralized decision-making on additional resources where decentralization is the norm 256
C. THE 'PRIORITY AREA' CONCEPT 257
  C.1. Contextual factors in the establishment of priority areas 257
  C.2. Evaluating the 'priority area' concept 258

CHAPTER 5 NON-PUBLIC RESOURCES AND LOANS 261
A. SOURCES OF PRIVATE FUNDING AVAILABLE TO SCHOOLS: DEGREES OF FREEDOM 263
  A.1. Categorization by country 263
  A.2. Round-up of the analysis 268
B. RESTRICTIONS ON THE USE OF FUNDS FROM PRIVATE SOURCES 269
C. ACCOUNTING ISSUES AND FINANCIAL LIABILITY 270
D. LEGISLATIVE CONTEXT AND REFORMS 271
  D.1. Reforms: extending the possibilities 271
  D.2. Issues underlying restrictions on non-public funding sources for schools 273
  D.3. Contention and debate 274
E. SUMMARY 275

CHAPTER 6 EDUCATION AND MARKET COMPETITION 277
I. A THEORETICAL FRAMEWORK 278
A. MARKETS IN PERFECT COMPETITION 278
  A.1. Characteristics of a market in a state of perfect competition 278
  A.2. The benefits of markets in a state of perfect competition 279
B. THEORETICAL APPLICATION TO EDUCATION 281
  B.1. Theoretical limits to the comparison 281
  B.2. Characteristics of 'educational markets' 283
  B.3. Three main models for the management of schools 285
II. THE POSITION OF COUNTRIES WITH RESPECT TO SCHOOL MANAGEMENT MODELS 288
A. THE NEED FOR SCHOOLS TO BE ATTRACTIVE 288
B. THE NUMBER OF SCHOOLS WHICH ARE UNRELATED INDEPENDENT ENTITIES 289
  B.1. Freedom to choose a school 289
  B.2. School managerial autonomy 290
C. 'PRODUCT' HOMOGENEITY OR LIMITED AUTONOMY IN THE AREA OF EDUCATIONAL PROVISION 291
  C.1. The amount of education provided 292
  C.2. Teaching methods and school textbooks 293
  C.3. Number of hours devoted to each subject 293
  C.4. choice of the first foreign language 294
  C.5. Autonomy in the search for non-public sources of finance 294
D. INFORMATION FOR CONSUMERS: PUBLICATION OF INFORMATION ON CHARACTERISTICS OF SCHOOLS 296
E. 'CONSUMER' MOBILITY: SUPPORT FOR THE MOBILITY OF PUPILS 298
III. SUMMARY 298

CONCLUSION 303
ANNEXE 309
ACKNOWLEDGEMENTS 387

FOREWORD

The present study devoted to the financing of schools is the second volume in the new Eurydice (¹) series called **Key Topics in Education in Europe**. The series sets out to provide in-depth analyses of specific issues of major interest for policy-makers and for cooperation in education at European level.

The first volume published in 1999 dealt with financial support for students in higher education. This second volume complements it with an examination of methods of awarding and managing resources for schools that provide compulsory education.

The originality and special interest of the **Key Topics in Education in Europe** series consists in the many different dimensions covered by each study no less than in the methodology used.

As far as **content** is concerned, this study provides both a descriptive and contextual comparative analysis. The descriptive part sets out in detail the various elements and aspects required for an understanding of the current situation in the field under investigation. It highlights differences and similarities in operational methods in the various countries concerned. The contextual analysis, on the other hand, traces the development of systems during the last 30 years. It describes the reforms undertaken in the various countries and clarifies the aims that they have pursued, as well as the factors underlying reform in each case.

From **the methodological standpoint,** an undertaking of this nature has been made possible thanks to the country reports for the descriptive part, which were drafted by the National Units in the Eurydice Network, and to close collaboration with the national experts in the field concerned. Appointed by the members of the Socrates Committee, these experts have contributed to the completion of that part of the study concerned with the way systems have evolved. The country contributions have been drafted by the National Units and the experts within the framework provided by questionnaires prepared by the Eurydice European Unit. Regular meetings were held to take stock of progress and test the approaches used for the comparative analysis. The National Units and experts also undertook the re-reading of the draft analyses, amending and correcting them as necessary and offering proposals for improvement aimed at ensuring that the study would be fully reliable and of the highest quality. The regular communication and close collaboration between the various partners both at national level and with the Eurydice European Unit were of tremendous assistance in carrying through this complex analysis of a sensitive issue. The names of all those who were involved in preparing the study are listed at the end of the book.

The macroeconomic indicators provided in the book, which feature mainly in the General Introduction, were selected and prepared in close collaboration with Eurostat which dealt with the checking of the data derived from the UOE (Unesco/OECD/Eurostat) questionnaires completed by the EU Member States and the EFTA/EEA countries.

The Eurydice European Unit is fully responsible for the drafting of the comparative analysis, as well as the preparation of the diagrams and the layout of the publication.

In the interests of clarity, the numerical data in the statistical indicators as well as the explanatory notes on the methods of calculation have been incorporated directly within the diagrams. In both the tables and diagrams, the countries are represented solely in their abbreviated form. For this reason, an introductory glossary of such abbreviations, acronyms, terms and conventions is provided, together with the definition of the statistical tools that have been used.

The book consists of a general introduction followed by a comparative survey, containing six thematic chapters each of which provides an in-depth analysis of a particular topic.

(¹) Eurydice, the Information Network on Education in Europe, prepares comparative studies and indicators on education systems in thirty European countries. (See Internet web site: www.eurydice.org.)

10

The **general introduction** sets out the definitions needed to understand the scope of the analysis. Accordingly, the schools concerned in each country are clearly specified. The different levels of authority and resource categories are similarly defined. A second section includes macroeconomic indicators which are considered to be sufficiently reliable and helpful in further clarifying the analysis. They incorporate the most recent available data, which relate to 1996 as the year of reference. Finally, the third section contains diagrams accompanied by explanatory notes, which illustrate the financial flows that occur in each country.

In the **comparative survey,** the first five **thematic chapters** each focus on a field related to methods of financing. They deal, in turn, with the right to education and freedom in education, the distribution of responsibilities among various levels of authority and the autonomy of schools, methods for determining the amounts of resources awarded, additional funding for special target populations of pupils and, finally, options open to schools as far as the acquisition of non-public resources is concerned.

It is hoped that structuring the information in this way will make it easier to locate specific items of information and to read selectively, given that each chapter may be read independently of the others. However, wherever appropriate, the text contains cross-references to other chapters or sections dealing with related aspects of the content at any one point.

The five thematic chapters are grouped into two major sections. In the first of the two, the main current operational models which may be identified from the comparison between all the EU and EFTA/EEA countries are highlighted. The historical and contextual analysis of the topic covered in the chapter in question then follows in the second section. All descriptive information on the current situation relates, in principle, to the 1997/98 school year. However, to remind readers that circumstances are constantly changing, reforms which have occurred since this reference date are referred to and explained in the course of the account.

The last main chapter of the survey is different from the first five in terms of both its structure and content. Although it is a thematic chapter in its own right, it also represents an overview of most of the issues raised throughout the book. In seeking to determine whether an 'educational market' exists in Europe, the first section of the chapter discusses the theoretical characteristics of a market in a state of perfect competition and applies them to education. With this as its starting point, it then attempts to identify the features of three school management models (regulated competition, non-regulated competition and organized planning). The second section of the chapter examines the extent to which the European Union and EFTA/EEA countries conform to these characteristics. Many of the aspects covered in detail in the other chapters are therefore summarized in relation to the question addressed in the last one.

By way of conclusion, the most prominent questions to emerge from the entire analysis are discussed and summed up together in a systematic consideration of the subjects dealt with in the thematic chapters.

Tables at the end of the book summarize for each country in turn the reforms that have been implemented, together with information on the context in which they occurred and the aims they pursued. These descriptions provide readers with an overall view of how reforms developed in any one of the countries concerned.

GLOSSARY AND

DEFINITIONS OF STATISTICAL TOOLS

I. GLOSSARY

ABBREVIATIONS

COUNTRY CODES

EU	European Union
B	Belgium
B fr	Belgium – French Community
B de	Belgium – German-speaking Community
B nl	Belgium – Flemish Community
DK	Denmark
D	Germany
EL	Greece
E	Spain
F	France
IRL	Ireland
I	Italy
L	Luxembourg
NL	Netherlands
A	Austria
P	Portugal
FIN	Finland
S	Sweden
UK	United Kingdom
UK (E/W)	England and Wales
UK (NI)	Northern Ireland
UK (SC)	Scotland
EFTA/EEA	European Free Trade Association/European Economic Area
IS	Iceland
LI	Liechtenstein
NO	Norway

ABBREVIATIONS RELATING TO STATISTICAL INDICATORS

(*)	Estimate or liable to variation depending on the authority concerned
(:)	Data not available
(–)	Not applicable
GDP	Gross domestic product
ISCED	International Standard Classification for Education
PPP/ECU	Purchasing Power Parity (based on value of ECU)
UOE	Unesco/OECD/Eurostat

ISO CODES FOR NATIONAL CURRENCIES

ISO code	Official name
EUR	euro
ECU (1)	European currency unit
ATS	Austrian schilling
BEF	Belgian franc
CHF	Swiss franc (also legal tender in Liechtenstein)
DEM	German mark
DKK	Danish crown (krone)

ISO code	Official name
ESP	Spanish peseta
FIM	Finnish markka
FRF	French franc
GBP	Pound sterling
GRD	Greek drachma
IEP	Irish pound (punt)
ISK	Icelandic crown
ITL	Italian lira
LUF	Luxembourg franc
NLG	Dutch guilder
NOK	Norwegian crown (krone)
PTE	Portuguese escudo
SEK	Swedish crown (krona)

(1) Despite the ISO standard, which recommends XEU.

Source: European Communities, *Interinstitutional style guide – Vade-mecum for editors.1997 edition*
Office for Official Publications of the European Communities, Brussels • Luxembourg, 1998, 163 p.

Note: The conversion into euros of the national currencies of countries that do not belong to the euro zone has been based on the exchange rates of 1 September 2000.

OTHER ABBREVIATIONS

AHS	*Allgemeinbildende höhere Schulen* (Austria)
ARGO	*Autonome Raad voor het Gemeenschapsonderwijs* (Belgium)
ASB	*Aggregated Schools Budget* (United Kingdom)
BSM	*Bekostigingsstelsel Materieel* (Netherlands)
CCMS	*Council for Catholic Maintained Schools* (United Kingdom)
CFI	*Centrale Financiën Instellingen* (Netherlands)
CTC	*City technology colleges* (United Kingdom)
DE (NI)	*Department of Education (Northern Ireland)* (United Kingdom)
DETR	*Department of the Environment, Transport and the Regions* (United Kingdom)
DfEE	*Department for Education and Employment* (United Kingdom)
DIGO	*Dienst voor Infrastructuurwerken van het Gesubsidieerd Onderwijs* (Belgium)
DRE	*Direcções regionais de educação* (Portugal)
DSM	*Devolved School Management* (United Kingdom)
EAZ	*Education Action Zone* (United Kingdom)
FAS	*Funding Agency for Schools* (United Kingdom)
FBS	*Formatiebudgetsysteem* (Netherlands)
FIPI	*Fonds d'impulsion à la politique des immigrés* (Belgium)
FOREM	*Formation emploi* (Belgium – French Community)
FRE	*Formatierekeneenheden* (Netherlands)
GEST	*Grants for Education Support and Training* (United Kingdom)
GM	*Grant-maintained (schools/status)* (United Kingdom)
GMI	*Grant-maintained integrated (schools/status)* (United Kingdom)
GOA	*Gemeentelijk Onderwijsachterstandenbeleid* (Netherlands)
GSB	*General Schools Budget* (United Kingdom)
HAVO	*Hoger algemeen voortgezet onderwijs* (Netherlands)
HS	*Hauptschulen* (Austria)
IMF	International Monetary Fund
ICT	Information and communication technology
LEA	*Local Education Authority* (United Kingdom)
LMS	*Local Management of Schools* (United Kingdom)
LODE	*Ley Orgánica Reguladora del Derecho a la Educación* (Spain)
LOGSE	*Ley Orgánica de Ordenación General del Sistema Educativo* (Spain)
LOPEG	*Ley Orgánica de Participación y Gobierno de los Centros Docentes* (Spain)
LORGO	*Lokale schoolraad van het gemeenschapsonderwijs* (Belgium)
MAVO	*Middelbaar algemeen voortgezet onderwijs* (Netherlands)

NPID	*Nomika Prosopa Idiotikou Dikaiou* (Greece)
OEDV	*Organismos Ekdoseos Didaktikon Vivlion* (Greece)
ORBEM	*Office régional bruxellois de l'emploi* (Belgium)
OSK	*Organismos Skolikon Ktirion* (Greece)
PI	*Paidagogiko Instituto* (Greece)
PS	*Polytechnische Schulen* (Austria)
PSB	*Potential Schools Budget* (United Kingdom)
SEN	*Special educational needs* (United Kingdom)
SEED	*Scottish Executive Education Department* (United Kingdom)
SOEID	*Scottish Office Education and Industry Department* (United Kingdom)
TEIP	*Territórios Educativos de Intervenção Prioritária* (Portugal)
VA	*Voluntary aided (schools/status)* (United Kingdom)
VBO	*Voorbereidend beroepsonderwijs* (Netherlands)
VELO	*Vereenvoudigd Londo* (Netherlands)
VEC	*Vocational Education Committee* (Ireland)
VG	*Voluntary grammar (schools/status)* (United Kingdom)
VWO	*Voorbereidend wetenschappelijk onderwijs* (Netherlands)
ZEP	*Zones d'éducation prioritaires* (France)

THE USE OF ITALICS

All terms whose use is limited to a country or a Community and which would not normally be understood by a foreign reader appear in italics irrespective of the language version of the study.

BEST COPY AVAILABLE

II. DEFINITIONS OF STATISTICAL TOOLS

THE UOE DATA COLLECTION

The UOE (Unesco/OECD/Eurostat) data collection is an instrument through which these three organizations jointly collect internationally comparable data on key aspects of education systems on an annual basis using administrative sources. Data collected cover enrolments, new entrants, graduates, educational personnel, education institutions and educational expenditures. The specific breakdowns include level of education, sex, age, type of programme (general/vocational), mode (full-time/part-time), type of institution (public/private), field of study and country of citizenship. In addition, to meet the information needs of the European Commission, Eurostat collects enrolment data by region and on foreign language learning.

THE PUBLIC FUNDS CONCERNED

Only public funds are taken into account here. No distinction is made between authorities in the education sector and other public authorities. Consequently, not only education ministry expenditure is included, but also expenditure on education by other ministries or authorities.

SCHOOL EXPENDITURE

Expenditure is classified into expenditure on staff remuneration, operational expenditure excluding staff remuneration, and expenditure on capital. Expenditure relating to auxiliary services (accommodation, meals, health services and other services to pupils) are included in these categories.

The distinction between operational and capital expenditure is the one generally used in national income accounting. Operational expenditure covers goods and services that are used during the ongoing year, and have to be periodically renewed for educational services to be maintained. Capital expenditure covers assets that last longer than a year. It may include expenditure on construction, renovation or major repairs to buildings, as well as on the purchase or replacement of fittings and equipment and other facilities. Notwithstanding these definitions, most countries include minor expenditure on fittings and equipment under a certain fixed amount in operational and not capital expenditure.

Expenditure on capital represents the value of educational capital acquired or created during the year under consideration, whether such expenditure is met from regular income or borrowing. As a result, it does not include expenditure on debt servicing, which is not registered under any other category of expenditure.

Expenditure under staff remuneration includes gross salary and other benefits. Gross salary means the total salary earned by an employee, including bonuses and supplementary payments, etc., prior to the deduction of any tax, pension scheme or other social security contribution. Other benefits include expenditure by the employer or, in certain cases, public authorities other than the employer, which is related to pension schemes, health care, insurance against illness, unemployment benefit, disability insurance, other forms of social insurance and benefits in kind, such as free or subsidized accommodation, free or subsidized day nurseries and other supplementary benefits offered by the country.

Staff in education include teachers as such (who are directly involved in educating pupils), head teachers, other school administrators, and staff who carry out duties related to teaching, or of an administrative or specialized nature (supervisors, teaching advisors, psychologists, medical staff, librarians, trainers in the use of media, those who draw up curricula, inspectors and staff who run education at local, regional or national level), as well as service and support personnel (such as secretarial staff, persons responsible for the maintenance and appropriate use of buildings, safety, transport and catering).

Operational expenditure, other than staff remuneration, includes that on services provided by outside suppliers or contractors (as opposed to those for which educational authorities or school staff themselves are responsible). They are generally support services, such as the upkeep of school buildings, or ancillary services, such as the preparation of meals for pupils. The rent paid on school buildings belongs to the same category. It should be noted that service providers may be private contractors or public bodies. The same category also covers expenditure for the purpose of purchasing other resources used in education, such as teaching material, additional equipment and furnishings, components and fittings not included under capital, combustible fuels, electricity, telecommunications, travel and insurance.

THE INTERNATIONAL STANDARD CLASSIFICATION FOR EDUCATION (ISCED)

In order to facilitate comparison between countries, the different levels of national education have been allocated the various ISCED levels as follows:

ISCED 0: pre-primary education
ISCED 1: primary education
ISCED 2: lower secondary education
ISCED 3: upper secondary education
ISCED 5: higher education programmes generally leading to an award not equivalent to a university first degree but admission to which requires at least the completion of upper secondary education.
ISCED 6: higher education programmes leading to a first degree or equivalent.
ISCED 7: higher education programmes leading to a postgraduate degree or equivalent.

Beginning with data gathered for the 1997/98 academic year, a new classification is used. The levels 0, 1, 2 and 3 remain unchanged. A level 4 has been created, and corresponds to post-secondary education outside higher education. Level 5 covers university and non-university courses in higher education leading to a first qualification. Admission to them requires as a minimum the satisfactory completion of upper secondary education, or equivalent courses offered in post-secondary education. Level 6 covers courses in higher education leading to an advanced research qualification. Level 7 is abolished.

The table below shows the number of years of study which correspond to ISCED levels 1 and 2 in the various countries.

	ISCED 1	ISCED 2		ISCED 1	ISCED 2		ISCED 1	ISCED 2
B	6	2	**I**	5	3	**UK (E/W)**	6	3
DK	6	3	**L**	6	3	**UK (NI)**	7	3
D	4	6	**NL**	6	3	**UK (SC)**	7	4
EL	6	3	**A**	4	4			
E	6	2	**P**	6	3	**IS**	7	3
F	5	4	**FIN**	6	3	**LI**	5	4
IRL	6	3	**S**	6	3	**NO**	6	3

EUROSTAT DEMOGRAPHIC DATABASE

The national demographic data are collected by Eurostat from responses to an annual questionnaire sent to the national statistical institutes of the Member States of the European Union and EFTA/EEA countries. The annual national population estimates are based either on the most recent census or on data extracted from the population register. Data at regional level are collected by Eurostat for the Member States of the European Union only.

PURCHASING POWER PARITIES (PPP)

Financial data converted at market exchange rates do not give a true comparison of the actual volumes of goods and services to which they correspond. Exchange rates undergo variations not necessarily related, in the short term, to those of basic macroeconomic aggregates (growth in GDP, inflation rates, the balance of capital, etc.). Furthermore, price levels may vary from one country to another in a manner not entirely compensated for by exchange rates.

To allow for these differences, Eurostat calculates purchasing power parities, which are alternative exchange rates ensuring that the sums converted have the same purchasing power.

The basis for these purchasing power parities is data on prices of a list of products which are representative in the countries participating and strictly comparable between countries. The PPP/ECU values given in this document are national currency values converted by means of purchasing power parities so as to be expressed in terms of a common reference criterion which, by eliminating different currency units and price levels, enables a comparison of data from one country to the next. These values are not, therefore, expressed in an existing currency unit, but as an imaginary unit very close to the ECU (or the euro since 1 January 1999). For convenience, the acronym PPP/ECU has been adopted to represent this unit. It is thus neither the ECU (euro) of financial markets, nor the purchasing power standard. The latter is used in some publications, and corresponds to a technically similar, yet different method of calculation.

THE 'EUROPEAN VALUE' AND THE 'EUROPEAN AVERAGE'

The 'European value', generally represented in the graphs by a block at the left-hand side (EU) is the value of the ratio obtained if all the countries of the European Union for which data are available formed a single unit. In the case of the ratio of 'Public expenditure on schools/GDP', for example, it is calculated by expressing in a common currency (purchasing power parities) the values obtained in each country for the amount of public expenditure on schools, on the one hand, and for the GDP, on the other. The amounts of public expenditure on schools in all the countries are then added up, as are their GDPs. The 'European value' is obtained by dividing the first total by the second as was done in the case of the individual countries.

The 'European value' weights the data with respect to the size of countries to give a good idea of the situation in the Union as a single entity. It is used when the main unit of observation being analysed is the social player (individual, group, institution or association) with whose scale the statistical measurement is directly concerned.

However, when considering schools, this weighting with respect to the size of countries no longer appears relevant, since it is the policy of each of the countries vis-à-vis each of its schools which is compared. It is not necessary to weight data when policies are compared. The 'European average' is therefore used when the intention is to emphasize the fact that countries all correspond to autonomous decision-taking political entities and, as a result, assume equal importance for comparative purposes.

The 'average' referred to is the unweighted arithmetical average (i.e. the same weight is given to each country, whatever its area or population) of the values obtained for all the countries for which data are available.

For example, in the 'European value' of public expenditure per pupil, the emphasis is on pupils, all of whom are considered equivalent throughout the European Union. It relates to the expenditure per pupil in the EU. By contrast, the 'European average' focuses on the Member States, each of which is accorded identical significance. It defines the political decision that corresponds to the average of decisions in the Member States.

WEIGHTINGS USED TO CONVERT TO 'CALENDAR YEAR' DATA THOSE COLLECTED ON THE BASIS OF A SCHOOL YEAR

The following weightings have been used to obtain attendance figures for 1996, bearing in mind that school years do not match calendar years:

WEIGHTING GIVEN TO THE NUMBER OF PUPILS/STUDENTS IN THE 1995/96 SCHOOL YEAR	WEIGHTING GIVEN TO THE NUMBER OF PUPILS/STUDENTS IN THE 1996/97 SCHOOL YEAR	COUNTRIES FOR WHICH THE WEIGHTING HAS BEEN USED
2/3	1/3	**B, DK, D, EL, E, IRL, L, NL, A, FIN, LI**
1	0	**S, UK**
0	1	**F, I, P, IS, NO**

General Introduction

SECTION 1

DEFINITION OF THE SCOPE OF THE ANALYSIS

A comparative analysis of methods of funding and managing resources for schools requires a prior definition of the main concepts involved in considering either the current situation, or developments observed in the last 30 years.

First, the schools that are the subject of the analysis have to be clearly specified. The study is concerned with those involved in the provision of full-time compulsory education or, in general, those concerned with primary or lower secondary education. It deals mainly with the situation in the public sector, and devotes a section to the grant-aided private sector. However, this definition of the scope of the analysis does not always match the distinctions observed in the various countries. Points A.1 and A.2 in this first section of the General Introduction will provide the further explanation required.

Schools also have to be defined with reference to the various bodies within them that take decisions regarding the management and award of resources. The reason for this is that, in many countries, bodies representing different interests at school level are actively involved in the decision-making process. The aim of point B.1 of the present section is to provide further information about the composition of these bodies.

Next, entities involved at other levels of decision-making have to be defined. Public law bodies or authorities acting at various levels covering particular geographical areas of jurisdiction, they may be sub-divided in this study into two major categories, namely the highest authority (or authorities) concerned with education in a particular country, and authorities in an intermediate position, which are defined under points B.2 and B.3, respectively.

Finally, the different kinds of resources dealt with in the study have to be indicated. The final part of Section 1, point C contains a description of the categories of resources employed.

All information contained in these sections, along with all data in the study describing the current situation in the countries concerned, relates to the year 1997/98. Only the statistical data given in Section 2 of the General Introduction refers to 1996. Reforms later than this which have altered the situation in a particular country are indicated in notes or in the text.

A. SCHOOLS

A.1. PRIMARY AND LOWER SECONDARY EDUCATION

In general, the pathway through compulsory full-time education at school comprises one or two major stages, the length of which depends on the country concerned.

In the Nordic countries, compulsory education consists of a single stage, often referred to as a 'single continuous structure'. This stage lasts nine years in Denmark, Finland and Sweden. In Iceland and Norway, it lasts ten. In all these countries, schools offer either the whole of compulsory education, or just a part of it. Yet they are all administered by the same kind of decision-making body and obtain their resources via the same administrative channels. Portugal also displays a single structure broken down into three stages. However, the procedure for managing resources for schools that offer solely the first stage of *ensino básico* (basic education) is different from the one applicable to schools that provide for the second and third, or all three stages. The study will consider the whole of the single structure (lasting nine or ten years).

In a second group of countries, there are two stages that correspond, by and large, to primary and lower secondary education. This is the case in Greece, Spain, France, Ireland and Italy, and the study covers the first two of these stages. In all these countries, the method of awarding and managing school resources differs, depending on whether one is dealing with primary or lower secondary education. These two levels will therefore be analysed separately.

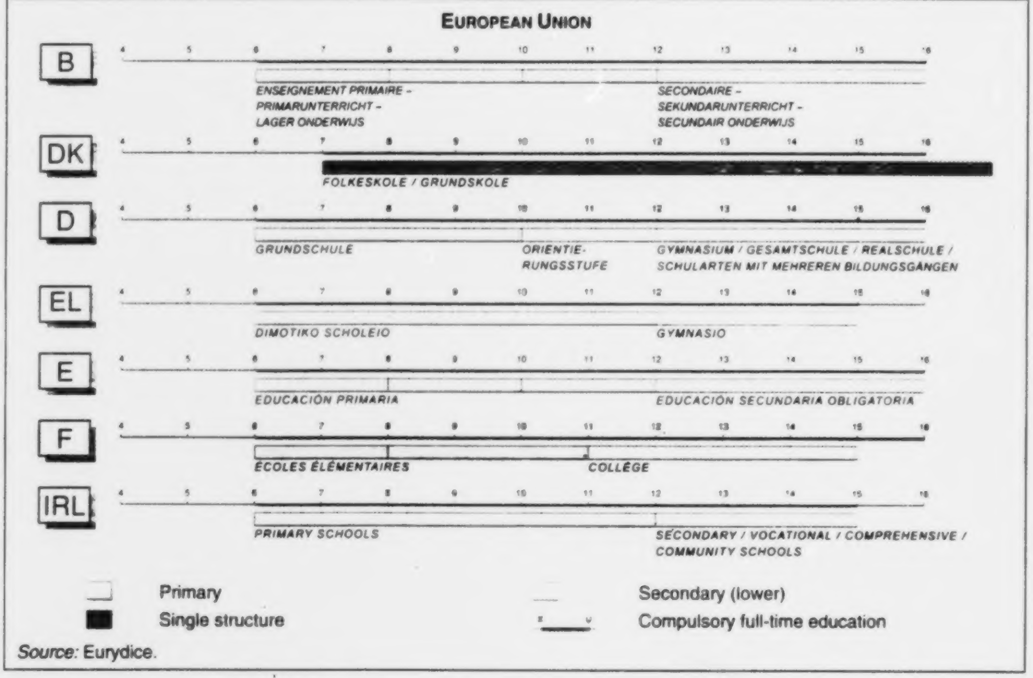
19

In a third group of countries, compulsory education is divided into a primary and a secondary level. Belgium, Germany, Luxembourg, the Netherlands, Austria, the United Kingdom and Liechtenstein belong to this group. The study will examine primary and the first part of secondary education, which generally comes to an end at the point where courses become more diversified to cover both general and vocational education. In all these countries except the United Kingdom, the methods of awarding and managing school resources for the primary and secondary levels differ.

In many countries, courses in lower secondary education are based on a common core without being diversified. However, selection of different kinds of provision is possible in Austria from the age of 10, from the age of 12 in Germany, Luxembourg and the Netherlands, and from 13 in the French Community of Belgium and France. Thus the present study will also examine the position of schools in which the method of awarding and managing resources depends on the kind of course being provided. In Austria, resources for the *Hauptschulen* and *Polytechnische Schulen* in secondary education and the *Volksschulen* (primary schools) are awarded and administered in a similar way and will therefore be considered together, whereas the *allgemeinbildende höhere Schulen* (lower stage) are analysed separately.

Figure 1 shows the schools considered in the various countries. They provide education covering the whole of compulsory schooling except in France, in which the final compulsory year occurs at *lycée* level [1]. Ages shown in the Figure are the norm. Pupils who start earlier or leave later are not taken into account; neither are longer periods as a result of further time needed to catch up at school or significant periods of absence.

FIGURE 1: EDUCATIONAL LEVELS AND SCHOOLS COVERED BY THE STUDY, 1997/98



EUROPEAN UNION
B
4 5 6 7 8 9 10 11 12 13 14 15 16
ENSEIGNEMENT PRIMAIRE – PRIMARUNTERRICHT – LAGER ONDERWIJS
SECONDAIRE – SEKUNDARUNTERRICHT – SECUNDAIR ONDERWIJS
DK
FOLKESKOLE / GRUNDSKOLE
D
GRUNDSCHULE
ORIENTIERUNGSSTUFE
GYMNASIUM / GESAMTSCHULE / REALSCHULE / SCHULARTEN MIT MEHREREN BILDUNGSGANGEN
EL
DIMOTIKO SCHOLEIO
GYMNASIO
E
EDUCACIÓN PRIMARIA
EDUCACIÓN SECUNDARIA OBLIGATORIA
F
ÉCOLES ÉLÉMENTAIRES
COLLÈGE
IRL
PRIMARY SCHOOLS
SECONDARY / VOCATIONAL / COMPREHENSIVE / COMMUNITY SCHOOLS
Primary
Single structure
Secondary (lower)
Compulsory full-time education

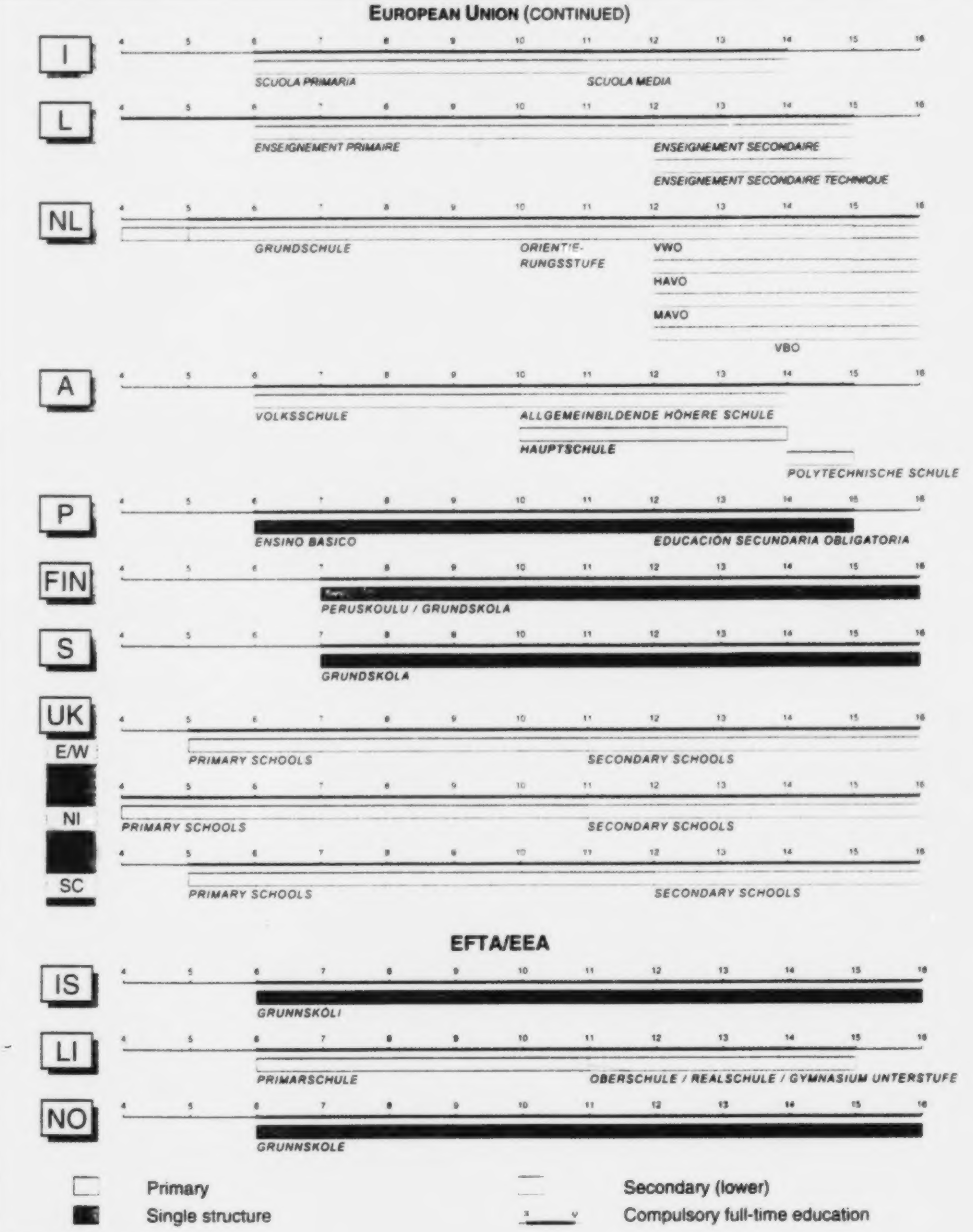
Source: Eurydice.

BEST COPY AVAILABLE

---

[1] For further details on the structures of primary and secondary education, see *Key Data on education in Europe 1999/2000*, Office for Official Publications of the European Communities, Luxembourg, 2000.

FIGURE 1 (CONTINUED): EDUCATIONAL LEVELS AND SCHOOLS COVERED BY THE STUDY, 1997/98



Source: Eurydice.

Explanatory note

According to the ISCED classification, the first two years of secondary education in Belgium and the first three years of secondary education in the United Kingdom (E/W/NI) correspond to ISCED level 2 (lower secondary education).

BEST COPY AVAILABLE

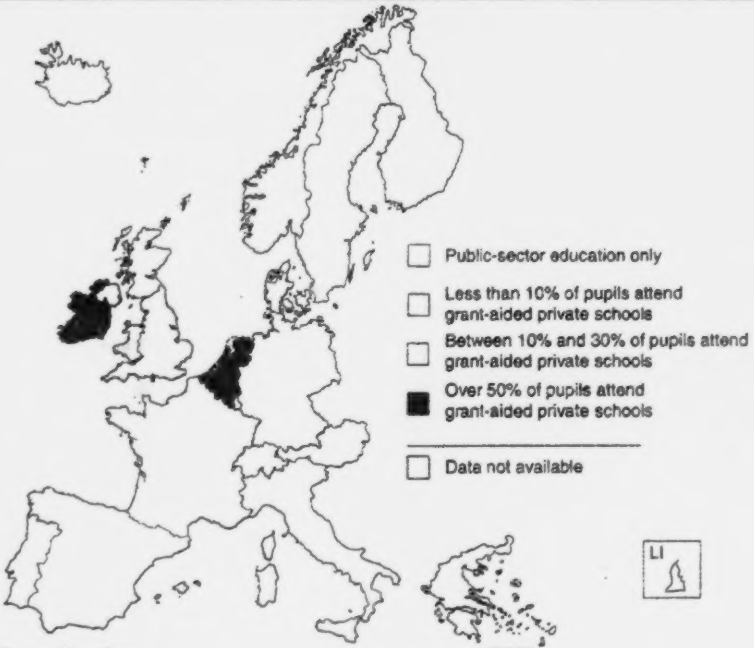
A.2. PUBLIC AND GRANT-AIDED PRIVATE EDUCATION

This study deals mainly with methods of managing resources in public-sector education and, to a lesser extent, in the grant-aided private sector.

Here, grant-aided private education refers to schools administered by private entities with support from public funding which are distinct from those directly administered by the public authorities. Aside from the analysis in Chapter 1, point III.B of mechanisms for the public funding of grant-aided private schools, the whole study deals primarily with the public sector, which accounts for the greater share of pupil enrolment in most countries. Nevertheless, grant-aided private education will be considered separately for each country, in accordance with its share of enrolment, bearing in mind that in three countries (Belgium, Ireland and the Netherlands), a large proportion – if not the majority – of pupils attend schools in this category. In all three, because the sector has a significant bearing on educational provision, the methods used to award and manage resources for the schools concerned will receive the same emphasis here as in the case of their public-sector counterparts.

The study is not concerned with the financing of non-subsidized private education. In some countries, government grants are awarded to pupils from disadvantaged backgrounds to enter non-subsidized private education, so that they can pay their school fees (as, for example, in the United Kingdom *Assisted Places Scheme* or the personal contract agreements employed in Portugal). Such cases, which are not widespread, will not be analysed in detail.

FIGURE 2: ENROLMENT IN PUBLIC AND GRANT-AIDED PRIVATE EDUCATION, 1997/98


☐ Public-sector education only
☐ Less than 10% of pupils attend grant-aided private schools
☐ Between 10% and 30% of pupils attend grant-aided private schools
■ Over 50% of pupils attend grant-aided private schools
☐ Data not available
LI

Source: Eurydice.

Additional note

United Kingdom (E/W/NI): Figures for *maintained schools* are not broken down into the various categories of schools (*county schools, grant-maintained schools, voluntary aided schools, voluntary controlled schools*, etc.). The legal status of *maintained schools* was modified with effect from 1 September 1999. *Grant-maintained schools* no longer exist.

In Belgium, the grant-aided private sector is very well developed and, in the Flemish Community, enrols more than half of all pupils. Pupils attend so-called 'free' *(libres/freie/vrije)* schools which are administered by private persons or entities and cannot charge fees (1). Public-sector education is the responsibility either of an education ministry (in the French and German-speaking Communities) or the ARGO (the Autonomous Council for Community Education, in the Flemish Community) or, alternatively, the provinces and municipalities. In the first case, the terms used to describe provision are *enseignement de la Communauté* or *Gemeinschaftsunterrichtswesen* or *Gemeenschapsonderwijs* (corresponding to 'Community education') and, in the second, *enseignement officiel subventionné* or *Offizielles subventioniertes Unterrichtswesen* or *Gesubsidieerd officieel onderwijs* (equivalent to 'subsidized public-sector education'). The expressions *pouvoir organisateur, Schulträger, inrichtende macht* or *schoolbestuur* are employed to refer to the authority that 'organizes', or administers, each school, whether this is the (Community) ministry, the ARGO, a province or municipality, or a private entity (2).

In Ireland, schools are administered by private entities throughout virtually the whole of primary education and, to a large extent, in secondary education too. In principle, these schools belong to what may conveniently be termed 'grant-aided private education'. However, they account for by far the greater share of educational provision and, as will be seen in due course, they are largely financed by the State. The majority of these schools are now run by a *board of management* which includes representatives of the founding body, but also teaching staff and parent representatives. In the remainder of this study, these schools will be bracketed with those in the public sector.

In the Netherlands, schools are run to a very large extent by private entities, comprising the administrative boards of the associations or foundations that established them. Public-sector education is the responsibility of the municipalities or, more specifically, a special college of local representatives or associations of municipalities. The expression *bevoegd gezag* is used to refer to the authority responsible for a school, whether a public or private entity. The duties of the *bevoegd gezag* are almost exactly the same in the public and grant-aided private sectors, while the methods of awarding and administering resources in both sectors are identical. The information given here about the Netherlands will thus relate systematically to all schools, irrespective of the entity responsible for them.

In most other countries, education provided by the public authorities is far more widespread than provision by entities operating under private law. Thus, in France, only 20% of pupils attend what is known as *enseignement privé sous contrat* (contract-regulated private education) at lower secondary level and, at primary level, this figure is 15%. In Denmark, grant-aided private schools enrol around 12% of pupils. Grant-aided private education in Spain accounts for some 30%. It includes the so-called *centros concertados*, schools operating under private law which are supported by public funds on the basis of an agreement reached with the competent educational authorities (the central government or Autonomous Communities). In Italy, the (officially recognized) *parificate* schools, which are partly financed by public funds, enrol approximately 10% of pupils. In the other countries, the percentage of pupils who attend grant-aided private schools is less than 10%. In Greece and the United Kingdom (Scotland), the sector is non-existent.

In the United Kingdom, England and Wales, the schools are all referred to as *maintained schools*, regardless of whether they were originally set up by private entities or state bodies. Those founded by private bodies include *voluntary controlled schools* which were mainly established by the Church of England and *voluntary aided schools* set up by the Catholic Church or the Church of England. Both these categories are 'voluntarily' incorporated within the 'maintained' sector supported by public funding. In Northern Ireland, *maintained schools* (established largely by the Catholic Church), *voluntary grammar schools* and *grant-maintained integrated schools* are considered to form part of the state sector and are funded by the Department of Education (Northern Ireland) – DE (NI).

---

(1) The word 'free', or its appropriate linguistic equivalent, is used to refer to the independent or otherwise distinctive nature of grant-aided private schools in several other countries – Denmark and France, for example – without implying that the education they provide is free of charge. On the contrary, attendance at many establishments in this category entails the payment of school fees.

(2) In 1997, in the Flemish Community of Belgium, the term *schoolbestuur* (school board) was introduced as a synonym of *inrichtende macht* by the government in the new legislation on *basisonderwijs* (basic education). Under a decree which came into force in 2000, most of the responsibilities of the ARGO have been transferred to local school bodies in order to introduce a structure that will permit greater decentralization of school administration.

B. DECISION-MAKING LEVELS

A variety of different authorities are actively involved in decision-making concerned with the award and management of resources. They have often been classified in accordance with geographical areas of jurisdiction, in which the administrative landscape is sub-divided into a central level and one or several intermediate levels that are generally regional or local. The statistics given by Eurostat, as well as other international organizations, make use of this kind of classification which, nevertheless, poses certain problems.

The main one is that such a classification puts on the same footing entities constituting the top level of authority in education within certain countries, and decision-making levels that are really intermediate. This is because, in the countries concerned, the highest level of educational jurisdiction is normally distinct from their national (central or federal) government. In Belgium, the relevant authorities in this respect are the linguistic Communities, in Germany, the *Länder* and, in Spain, the Autonomous Communities able to exercise their full powers in education (1). In the United Kingdom, most of the responsibilities for education have been devolved to the national authorities in England, Wales, Northern Ireland and Scotland. In this study, therefore, the primary distinction will be between top-level educational authorities (whether central/national or other bodies), on the one hand, and intermediate authorities, on the other.

Decisions relating to the award and management of school resources have thus been listed in three categories: those taken by schools (point B.1); those taken by the central (or top-level) educational authorities (point B.2); and those taken at intermediate level (point B.3) – or, in other words, between the other two levels. In so far as the administrative sub-divisions generally in force in each country are not comparable, detailed identification of the bodies situated at these different levels is now required.

B.1. THE SCHOOL

The entities responsible for managing resources in schools are exceptionally varied. The account under the present heading identifies them without attempting any immediate assessment of their significance in decision-making.

In some cases, a school head, perhaps assisted by a team of deputies or administrators, takes the decisions. In others, this responsibility is assumed by a board, or council, comprising representatives of the various main interests concerned, among them teachers, parents and usually, in the case of public-sector schools, the local authorities. The position of these boards vis-à-vis the school raises a problem of comparison for, if the school head is, as the title suggests, an integral part of the school itself, can the same be said of a board whose membership includes representatives external to it?

Figure 3 shows, for each country, the composition of school management bodies in the case of all schools providing compulsory education. In analysing the decentralized aspects of decision-making, these various bodies may be considered in the same way since, in terms of geographical jurisdiction, they all operate at the most decentralized level. By contrast, where the autonomy of schools is the focus of interest, such entities have to be clearly distinguished (for example, in terms of whether they are individual persons or bodies representing various interests, which may or may not include those of the appropriate public-sector authorities). In general, school heads are members of their school board.

The relevant administrative body (*pouvoir organisateur, Schulträger, inrichtende macht* or *schoolbestuur*) that runs schools in the grant-aided private sector of education in Belgium is a local-level private law entity. In the public sector, it is a public law entity classified at intermediate level (see Section 1, point B.3) or at top level (see Section 1, point B.2).

---

(1) The process enabling all the Autonomous Communities to exercise their full powers in education has been completed in 2000. In 1998/99, six Autonomous Communities out of 17 were still directly managed by the Ministry of Education and Culture.

FIGURE 3: ENTITIES INVOLVED IN THE MANAGEMENT OF RESOURCES AT SCHOOL LEVEL IN PRIMARY AND/OR LOWER SECONDARY EDUCATION, 1997/98

	PERSON	BOARD, COUNCIL OR OTHER BODY INCLUDING REPRESENTATIVES OF THE STAFF, PARENTS AND (IN CERTAIN CASES) PUPILS		GOVERNING BOARD APPOINTED BY THE PUBLIC AUTHORITIES
			AND THE PUBLIC AUTHORITIES	
		EUROPEAN UNION		
B fr	*Directeur*			*Pouvoir organisateur*
B de	*Schulleiter*			*Schulträger*
B nl	*Directeur*			*Inrichtende macht/schoolbestuur*
DK	*Skoleleder*	*Skolebestyrelse*		
D	*Schulleiter*			*Schulträger*
EL		*Scholikí Epitropi*		
E	*Director/administrador*		*Consejo escolar del centro*	
F	*Principal* (secondary)		*Conseil d'administration* (secondary)	
IRL	Head teacher		*Board of management*	
I	*Direttore didattico* (primary)	*Consiglio di circolo* (primary)		
I	*Preside* (secondary)	*Consiglio d'istituto* (secondary)		
L	*Directeur* (secondary)			
NL	*Directeur/Rector*			*Bevoegd gezag*
A	*Schulleiter*	*Klassenforum and Schulforum (Volksschule, Hauptschule); Schulgemeinschafts-ausschuss (allgemeinbildende höhere Schule/Unterstufe)*		
P	*Director executivo*		*Conselho da escola*	
FIN	*Rehtori or johtaja*	*Johtokunta*		
S	*Rektor*	Board/Council		
UK (E/W)	Head teacher		*School governing body*	
UK (NI)	Principal		*Board of governors*	
UK (SC)	Head teacher		School board	
		EFTA/EEA		
IS	*Skólastjóri*			
LI	*Schulleiter*			
NO	*Rektor*			

Source: Eurydice.

Additional notes

Belgium, Ireland and **Netherlands**: The Figure indicates the management bodies of public-sector and grant-aided private schools.

Netherlands: In the public sector, the *bevoegd gezag* is usually the executive body of the municipal council (a council consisting of the Burgomaster and Aldermen), but the municipal council may appoint an independent public law body to which the task of *bevoegd gezag* is entrusted. In the private sector (the majority of Dutch schools), the *bevoegd gezag* is not **appointed by any public authority.**

Sweden: Schools may have a board or a council, but most do not.

The position of the *bevoegd gezag* in the Netherlands under the heading of 'governing board appointed by the public authorities' calls for more detailed explanation. Besides being the authority responsible for a school in law, the *bevoegd gezag* is formally assigned the task of running it directly. However, the school management is nearly always authorized to fulfil this task. In public-sector schools, the role of *bevoegd gezag* is assumed by the municipalities (in cases where they do not delegate their tasks to another kind of public-law body). In other countries in which schools are both under the authority of and run directly by the municipalities, the latter are not regarded as operating at school level, but as intermediate authorities, so that it might seem logical to reconsider the position of the *bevoegd gezag* in the public sector. However, various characteristics peculiar to the Netherlands – including the large number of schools administered by private law entities and the fact that the mechanisms for the management of resources are identical in both sectors – suggest that the municipalities responsible for public-sector schools should be regarded as acting at school level, in the same way as the corresponding authorities for private schools, which are private-law administrative bodies comprising denominational associations – or, more commonly – foundations. It should further be borne in mind that, in the Netherlands, the municipalities also assume the role of an intermediate authority in the funding of certain resources for both public-sector and grant-aided private schools.

B.2. AUTHORITIES ACTING AT THE TOP LEVEL

An analysis of bodies that intervene at the top level of authority in education, reveals certain disparities between countries. In general, block grants intended to cover various services of which education is one, are awarded by the ministry of finance, or the interior. Where a subsidy is specifically earmarked for education, and allocated to an administrative division of the ministry or to schools, the ministry of education is responsible for its award. In some countries, the ministries of social or cultural affairs may also be involved.

FIGURE 4: TOP-LEVEL AUTHORITIES INVOLVED IN THE FUNDING OR MANAGEMENT OF SCHOOL RESOURCES IN PRIMARY AND LOWER SECONDARY EDUCATION, 1997/98

	TOP-LEVEL AUTHORITIES FOR SCHOOL EDUCATION	CENTRAL OR FEDERAL GOVERNMENT LEVEL
EUROPEAN UNION		
B	Ministries of the three linguistic Communities	Ministry of the Budget
DK		Ministry of the Interior
D	Ministries of the 16 *Länder*	
EL		Ministry of Education, Ministry of the Interior, Ministry of Finance, Ministry of the Economy
E (a)	Governments of the Autonomous Communities	
E (b)		Ministry of Education
F		Ministry of Education, Ministry of the Interior
IRL		Ministry of Education
I		Ministry of Education, Ministry of the Interior
L		Ministry of Education, Ministry of the Interior
NL		Ministry of Education, Ministry of the Interior CFI (the central agency for school funding, a government body)
A	Governments of the nine *Bundesländer*	Federal Ministry of Education and Cultural Affairs
P		Ministry of Education (Financial Management Group)/central government
FIN		Ministry of Education and Ministry of the Interior
S		Ministry for Education and Science, Ministry for Finance
UK		DfEE, Welsh Office, DE (NI), SOEID, Home Office
EFTA/EEA		
IS		Ministry of Education, Ministry of Social Affairs
LI		Central government
NO		Ministry of Education, Research and Church Affairs

Source: Eurydice.

Additional notes

Belgium (B nl): ARGO (the Autonomous Council for Community Education) works directly on behalf of the Flemish Community, and is comparable to central or top-level educational authorities. Under a decree which entered into force in 2000, most of the responsibilities of the ARGO have been transferred to local school bodies in order to introduce a structure that will permit greater decentralization of school administration.

Spain: a) Autonomous Communities able to exercise their full powers in education; b) Autonomous Communities unable to exercise their full powers in education.

Austria: Since the establishment of the last government in March 2000, the Federal Ministry of Education and Cultural Affairs is now called the Federal Ministry of Education, Science and Culture.

United Kingdom: Following devolution in 1999, the Welsh Office is now called the National Assembly for Wales (Education department) and the SOEID is now the Scottish Executive Education Department (SEED).

B.3. DECISION-MAKING BODIES AT INTERMEDIATE LEVEL

The position of the top level of authority in education, as well as the lowest level (that of the school), in each country, is determinant in classifying the remaining bodies under the heading of 'intermediate authorities'. This classification puts two kinds of body on the same footing. They are, respectively, local authorities and locally-based administrative divisions, or branches, responsible to the higher authority. The distinction between the two is important when considering the centralization or decentralization of decision-making. The councils of regional or local authorities are made up of elected members, whose action regarding matters within their jurisdiction is entirely independent of central government, whereas staff working in the purely administrative entities are appointed by the ministry. Figure 5 identifies the various intermediate bodies actively involved in the management and award of resources for schools.

Ministerial administrative divisions are found in most countries that function in accordance with a very centralized system, such as France, Italy and Portugal. In France, they are called *inspections d'académie*, in Italy, *provveditorati agli studi*, and in Portugal, *Direcções regionais de educação* (DRE). The same applies to Spain in the case of the *Direcciones provinciales de educación* in those Autonomous Communities that do not yet exercise their full powers in education, and remain responsible to the ministry. In all these countries, regional or local authorities share decision-making powers with the central government and its administrative divisions. They are situated at municipal level, but also at other intermediate levels such as the *conseil général de département* in France.

In Germany, the same dichotomy is found within each *Land*. On the one hand, the management of internal educational matters is undertaken by a three-level or two-level structure: the higher supervisory authority (the *Land* ministry) and the intermediate authority *(Bezirksregierung/ Oberschulamt)* or the lower authority *(Schulamt)*: on the other, the local authorities (which, depending on the size of the community, may correspond to municipalities, larger districts, or even bigger entities) deal in general with matters considered external to education as such, namely the building and material operation of schools.

In Austria, the *Landesschulrat* is a federal authority located at *Land* level from the legal standpoint. However, it possesses features strongly characteristic of decentralization. The members of its board *(Kollegium)* are appointed by the provincial parliament *(Landtag)* or by the provincial government, and it also shares decision-making powers with the *Landesregierung* (government of the *Land*), another intermediate body.

The situation is simpler in the Nordic countries, as well as in Luxembourg and Liechtenstein (primary education), in so far as only the local authorities (the municipal councils, as well as, in some cases, education committees established by councils) are active at intermediate level. Of course, administrative divisions of central government exist in some of these countries, but their sole purpose is to carry out various tasks without intervening in the decision-making process.

In Ireland, the *Vocational Education Committees* (VECs) of local government authorities act as intermediate bodies for the *vocational schools* and *community colleges*.

In the United Kingdom (England, Wales and Scotland), local authorities have powers to raise local taxes and are responsible for a broader range of services than education alone. In their capacity as *Local Education Authorities* (LEAs) in England and Wales and education authorities in Scotland, they may appoint an education committee consisting not only of elected councillors but also co-opted members including representatives of the churches and, in England and Wales, the local community. In Northern Ireland, the *Education and Library Boards* (often known as the 'Boards' for short) carry out duties similar to those of the LEAs but, unlike the LEAs, they are funded entirely by the DE and have no power to raise local taxes.

Finally, in a further group of countries, there is no intermediate level. This applies to Luxembourg and Liechtenstein in the case of secondary schools.

FIGURE 5: INTERMEDIATE AUTHORITIES INVOLVED IN DECISION-MAKING RELATED TO THE AWARD AND MANAGEMENT OF SCHOOL RESOURCES IN PRIMARY AND LOWER SECONDARY EDUCATION, 1997/98

	ADMINISTRATIVE DIVISIONS OF THE TOP-LEVEL EDUCATIONAL AUTHORITY	LOCAL OR REGIONAL AUTHORITIES AND/OR BODIES CONSISTING OF MEMBERS APPOINTED BY IT
EUROPEAN UNION		
B fr		Provinces and municipalities (solely in the case of schools administered by them)
B nl		Provinces and municipalities (solely in the case of schools administered by them) *Inrichtende macht* of the grant-aided private schools
DK		Municipal councils
D		*Schulträger* (municipalities, groups or associations of municipalities)
EL		Prefectorial authorities Municipalities (*Dimos* and *Koinotita*)
E (a)		*Concejalía de educación* of the municipality
E (b)	*Direcciones provinciales de educación*	*Concejalía de educación* of the municipality
F	*Rectorats, inspections d'académie*	Councils for the *départements* (known as *conseils généraux*), municipal councils
IRL		*Vocational Education Committees* (VECs) of local government authorities (some public-sector schools only)
I	*Provveditorati agli studi*	*Consiglio comunale*
L		Municipal and school councils
NL		*Gemeente* – municipal councils
A	*Landesschulräte*	Governments of the *Länder (Landesregierungen)* Municipal councils
P	*Direcções regionais de educação*	Municipal councils
FIN		Municipal councils and education committees
S		Municipal and district councils and education committees
UK (E/W)		*Local Education Authorities* (LEAs) and education committees (for most schools)
UK (NI)		*Education and Library Boards*
UK (SC)		Local authorities
EFTA/EEA		
IS		Local authorities
LI		Municipal councils
NO		Municipal councils and education committees

Source: Eurydice.

Additional notes

Belgium, Ireland and **Netherlands**: The Figure indicates the management bodies of public-sector and grant-aided private schools.

Spain: **a)** Autonomous Communities able to exercise their full powers in education; b) Autonomous Communities unable to exercise their full powers in education.

C. CATEGORIES OF SCHOOL RESOURCES

School resources may be grouped in categories that vary from one country to the next. Depending on the country concerned, one may distinguish between human and physical resources, or annual expenditure and investment over a period longer than a year. In some cases, resources are lumped together under a single heading while, in others, they are classified under a large number of different items.

In this study and to facilitate comparison, the various kinds of resources have been placed in five categories, namely staff, operational resources, capital expenditure, specific resources, and miscellaneous resources not readily included under any of the foregoing headings. These categories are, in principle, entirely separate in that a particular resource can be placed under one of them, and one alone.

- The **staff** category represents all human resources available for use by the school, whether in teaching, administration or other duties.
- The category **operational goods and services** includes all services (1) and supplies written off over a year (water, electricity, heating, chalk, photocopies, telephone and maintenance, etc.).
- **Capital goods** ensure that schools can make use of a property-based infrastructure and durable facilities (buildings and premises, playing fields, furniture, computers, etc.). They include both fixed assets (immovables) and movables.
- **Specific resources** include the human and physical resources available to some schools solely under positive discrimination programmes based on geographical, social, linguistic or other considerations (priority education areas, teaching the language of a linguistic minority, special programmes to help children whose physical mobility is impaired, etc.). Staff concerned with specific programmes thus appear in this category when information about them is separate from details regarding other teachers. Otherwise, they are included in the 'staff' category.
- Finally, the **miscellaneous** category includes resources employed by schools to offer a service that is marginal compared to its main educational responsibilities. It might relate to the implementation of school transport facilities, school meals or even accommodation for pupils, and extramural activities.

This categorization indicates that, in principle, only resources which enable schools to function properly are referred to. However, in some countries, schools include headings in their operational budgets that refer to other resources, such as in-service teacher training or the costs of laying off staff. These resources are taken into account only in so far as they are part of the management of schools. Where responsibility for awarding or managing them is assumed by the State, or another public-law entity, they are not considered in the present study.

---

(1) The contribution of teaching and non-teaching staff is a service they provide to their school, which enables it to 'function' and whose cost is their salary. This is why the remuneration of teachers in some studies is considered as belonging to the general category of 'operational expenditure'. It is regarded as a category in its own right in this study, in the interests of clarity. Operational services are those offered to a school by third parties (plumbers, gardeners and caretaking staff), who neither have an employment contract with it (but to whom work may be contracted out), nor work exclusively for it.

SECTION 2

STATISTICAL INDICATORS

From the quantitative standpoint, the subject of financing of primary and lower secondary schools may be considered from two angles. The first involves considering the overall amounts awarded by the public authorities in a macroeconomic perspective, and devising statistical indicators by means of which countries can be compared with each other from this point of view. The second involves somewhat separate consideration of the different channels via which resources are awarded to schools.

This section reviews a number of statistical indicators developed from the first angle in order to give readers a general idea of the amounts at issue, and draw some initial conclusions from the comparative analysis to which these indicators give rise. The reference year for which the indicators have been prepared is 1996.

In addition, they provide information about the results achieved by systems for awarding resources to schools, because they describe the scale of the financial flows characteristic of those systems. They thus fittingly complement the descriptive features of transfers analysed in this study.

First of all, an account is required of the methodological framework used to gather the UOE (Unesco/OECD/Eurostat) data on the basis of which, in collaboration with Eurostat, these figures have been produced. It should be noted that, according to our definitions, staff remuneration should include gross salary, contributions to retirement, unemployment benefit and health care, and possible fringe benefits. Countries have not taken account of these precise details in exactly same, or in such a comprehensive, way. As a result, meaningful comparability of the data may be somewhat compromised.

Given the differing structures of education systems, data corresponding to the distinction between levels of education is not readily available in some countries, so that reliable comparisons between them are not always possible. In the Nordic countries, primary and lower secondary education are provided in the same schools, as indeed are lower and upper secondary education in Belgium, Greece, Luxembourg and the United Kingdom. Data has therefore either been arbitrarily broken down across the levels of education, or comprises an overestimate, incorporating values whose inclusion was not envisaged at the outset. The attention of the reader is drawn to the latter by showing the data for the country concerned in a lighter colour, with a note under the Figure indicating the levels to which the former applies.

Furthermore, the number of years covered by the two levels of schooling considered (primary and lower secondary) is not the same in all countries. The effect of this may, again, be to distort comparability of the data.

A note will alert readers, wherever necessary, to the shortcomings of each such comparison. It is also suggested they should consult the review of statistical tools at the beginning of the study for a definition of the concepts (ISCED, PPP/ECU, 'European value', etc.) referred to throughout.

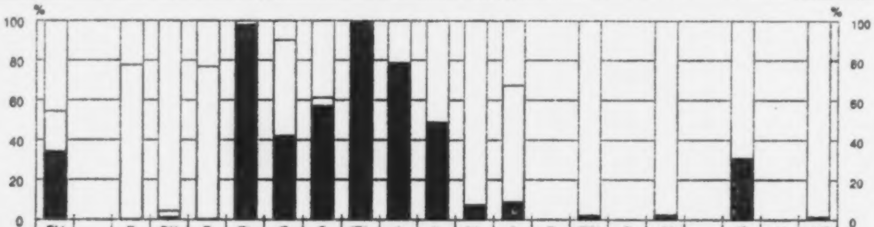
A. SOURCES OF FUNDING FOR SCHOOLS

The administrative authorities that manage and award public-sector financial resources to schools may themselves be funded by other public authorities which are generally at different administrative levels. A distinction should therefore be drawn between intermediate transfers of funds and final transfers to recipient schools. The existence of intermediate transfers implies a distinction between the administrative level that **awards** the resources (by making the final transfer to a school) and the level that actually **pays** for it (as the initial source of funds).

A.1. PRIMARY EDUCATION

Figure 6 shows the final transfers to primary schools for 1996, differentiating them according to the level of administration that manages them. It does not therefore reveal anything about where the funds come from originally, whether directly from central government or some other administrative level. The emphasis is on the proportion of all resources distributed to schools by the public authorities at different levels, and not on the actual amounts.

FIGURE 6: PERCENTAGE BREAKDOWN OF PUBLIC FUNDING TO PUBLIC-SECTOR PRIMARY SCHOOLS (ISCED 1) ACROSS THE ADMINISTRATIVE LEVELS FROM WHICH IT IS FINALLY OBTAINED FOLLOWING INTERMEDIATE TRANSFERS, 1996



	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
Local □	45.5	22.2	95.6	23.2	0*	9.7	38.7	0.03	21.3	51.0*	92.7	32.6	(:)	97.6	(:)	97.5	69.1	(:)	98.5
Regional □	20.3	77.8	3.4	76.8	2.0*	48.3	4.3	(-)	0	(-)	0	58.5	(:)	(-)	(:)	(-)	0	(:)	(-)
Central ■	34.1	0	1.1	0	98.0*	42.0	57.1	99.9	78.7	49.0*	7.3	8.9	(:)	2.4	(:)	2.5	30.9	(:)	1.5

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Belgium: For statistical purposes, the Communities are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it). Flemish Community only

Germany: For statistical purposes, the *Länder* are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it).

Greece and **Luxembourg**: Data correspond to ISCED levels 0 and 1.

Spain: For statistical purposes, the Communities are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it). In 1996, several Autonomous Communities still did not exercise their powers in education and relied on the central government for the financing of schools. From 2000 onwards, all the Autonomous Communities will exercise their full powers, so that no share of central funding will be directly awarded to schools.

Netherlands: The local level is represented by the *bevoegd gezag* which, in public-sector education, is a public law body. In other sections of the study, it is considered to be at school level.

Portugal: Regional and local data not available. Indicating central data alone would be pointless in the present context.

Iceland: 1996 was a watershed in the process of decentralization. Responsibility for financing teaching staff was transferred from the government to the municipalities (in August). This may explain the central government share shown in the Figure. From 1997, it fell very considerably.

Norway: Financial data is not broken down into ISCED levels 1 and 2.

Figure 6 illustrates clearly the wide range of systems which are adopted in the various countries to finance their educational provision and shown in the financial transfer diagrams in Section 3 of the General Introduction. The direct financial burden of education is borne very heavily by local entities in all the Nordic countries and the United Kingdom. This does not mean that there is no national solidarity for financing education in these countries, as these local entities are themselves at least partially funded by central government, or a top-level authority for education, which thus redistributes money from public funds across the entire country or region concerned.

In the Flemish Community of Belgium, Germany, Spain and Austria, the regional authorities provide the greater share of funding to primary schools, albeit in proportions that vary. The share is very big in the Flemish Community of Belgium and Germany, where these authorities alone contribute over three-quarters, with the balance financed mainly by local entities. The breakdown is substantially more balanced in Spain and Austria, in which the share of the regional authorities varies between 48% and 60%. The remainder is financed mainly by the central government in Spain and the local authorities in Austria.

In Greece and Ireland, funding of schools is almost exclusively centralized. In Portugal, municipalities finance the operational and capital resources of schools offering the first stage of *ensino básico*, but the statistical data is not available. In Italy, regional authorities make no contribution and central government accounts for 80% of the total.

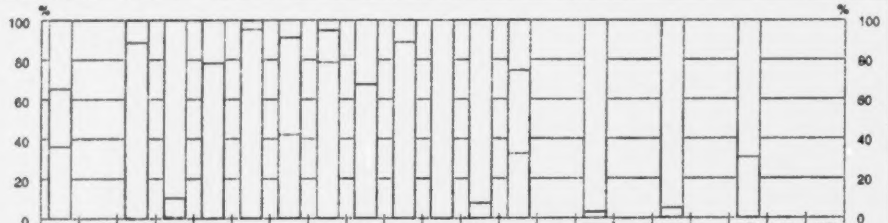
In France and Luxembourg, funding is fairly evenly balanced between central government and local authorities.

A.2. LOWER SECONDARY EDUCATION

Lower secondary schools are financed in accordance with much the same procedures as primary ones, but four countries are exceptions:

- France, in which the share of resources provided by the central and regional public authorities is considerably greater than in the case of primary education where the contribution of the local level is, proportionally, more in evidence;
- Ireland, in which the government is the only source of funds for primary schools and makes no more than a two-thirds contribution to the resources of lower secondary schools, with the remaining third paid by the local authorities. This situation is attributable to the many different kinds of schools at this level. While most of them are grant-aided private institutions directly financed by the government, a certain number are public-sector institutions financed by the VEC of the local authority concerned;
- Luxembourg, in which the local level is no longer involved in the financing of secondary education;
- Austria, in which the relative contribution of the *Länder* has fallen as that of the federal government has increased.

FIGURE 7: PROPORTIONAL BREAKDOWN OF PUBLIC FUNDING TO PUBLIC-SECTOR LOWER SECONDARY SCHOOLS (ISCED 2) ACROSS THE ADMINISTRATIVE LEVELS FROM WHICH IT IS FINALLY OBTAINED FOLLOWING INTERMEDIATE TRANSFERS, 1996



	EU		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK		IS	LI	NO
Local ☐	34.8		11.5*	89.7	21.8	0*	8.8	5.2	32.5	11.1	0*	92.3	25.6	(:)	96.9	(:)	94.9*		69.1	(:)	0
Regional ☐	29.0		88.5*	9.3	78.2	4.8*	49.2	16.2	(–)	0	(–)	0	41.8	(:)	(–)	(:)	(–)		0	(:)	(–)
Central ☐	36.2		0*	1.0	0	95.2*	42.0	78.6	67.5	88.9	100*	7.7	32.6	(:)	3.1	(:)	5.1*		30.9	(:)	0

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Belgium: For statistical purposes, the Communities are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it). Flemish Community only

Belgium, Greece, Luxembourg and **United Kingdom**: Data correspond to ISCED levels 2 and 3.

Germany: For statistical purposes, the *Länder* are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it).

Spain: For statistical purposes, the Communities are regarded as being at regional level. In other sections of the study, they are referred to as the top-level authority for education (corresponding to central government level in other countries covered by it). In 1996, several Autonomous Communities still did not exercise their powers in education and relied on the central government for the financing of schools. From 2000 onwards, all the Autonomous Communities will exercise their full powers, so that no share of central funding will be directly awarded to schools.

Netherlands: The local level is represented by the *bevoegd gezag* which, in public-sector education, is a public law body. In other sections of the study, it is considered to be at school level.

Portugal: Regional and local data not available. Indicating central data alone would be pointless in the present context.

Iceland: 1996 was a watershed in the process of decentralization. Responsibility for financing teaching staff was transferred from the government to the municipalities (in August). This may explain the central government share shown in the Figure. From 1997, it fell very considerably.

Norway: Financial data are not broken down into ISCED levels 1 and 2 (see these data in Figure 6).

BEST COPY AVAILABLE

B. BREAKDOWN OF PUBLIC FUNDING BY PRIMARY AND LOWER SECONDARY LEVELS

The various levels of education correspond to particular needs, as pupils require resources in keeping with their ongoing development. Some people believe that the resources needed to educate pupils increase as they grow older and that, as a result, schools offering education at a higher level should get relatively more funding. Others claim that children require greater attention than adolescents and that they should therefore be taught in smaller classes than older pupils.

Figures 8 and 9 are not meant to point to a firm conclusion on this matter either way. Instead, they simply illustrate the situation as it exists in the various countries, thus reflecting the implicit response of their systems faced with the foregoing alternatives. They thus indicate the relative scale of average public funding corresponding to one year of lower secondary education, as compared to the average public funding for one year of primary education. The average cost of one year of primary education has been fixed at a standard value of 100 for all countries. Average public funding of a year of lower secondary education in accordance with the same scale is shown in Figures 8 and 9 for the public and grant-aided private sectors respectively. A value of 200 corresponds to average funding for a 'notional' year of lower secondary education that is twice as much as in the case of primary education. Conversely, a value of 50 implies average funding for lower secondary education which is only half as much as in the case of primary education.

The correct interpretation of these figures calls for a warning, as the data may be conditioned by the educational structure of the countries concerned. Education systems may be viewed in terms of two main models, depending on whether compulsory education is divided into primary and lower secondary levels or provided within a single structure. In the Nordic countries, the entire period of compulsory education occurs within a single stage lasting nine (or ten) years. It is not generally possible to allocate funding to some years rather than others. A statistical distinction between ISCED 1 and ISCED 2 levels may be 'artificially' determined by the countries concerned using a 'rule of three' calculation to give values which are inevitably very similar for the two levels.

B.1. PUBLIC EDUCATION

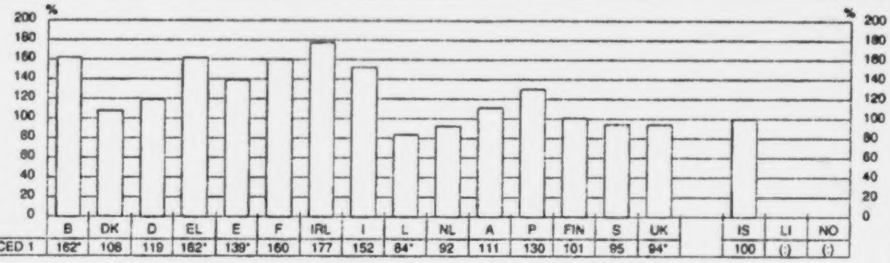
Figure 8 illustrates that in general, in the public sector, the majority of countries earmark more resources for lower secondary schools than for primary schools. This difference is very marked in the case of Belgium, Greece, France, Ireland and Italy. It is relatively less so in Denmark, Germany, Austria and Portugal.

By contrast, in Luxembourg and the Netherlands, the resources allocated to primary education are slightly greater than in the case of lower secondary education. The other countries tend to reflect an even breakdown of resources across the two levels. In the Netherlands, this finding may be attributed to the existence of a grant-aided private sector which is more fully developed at secondary level than at primary level. The total resources awarded to public-sector schools are therefore greater at primary level.

In addition, information relating to the United Kingdom in Figure 8 calls for comment. Data for ISCED 2 also includes the statistics for ISCED 3, which means that the notional period used for the calculation is extended to seven years (see the explanatory note to Figure 8). However, as compulsory education does not cover the whole of secondary schooling, the enrolment rate in the final years is lower than in the initial ones. On average, secondary education is estimated to last for a period closer to five or six years. If this period is substituted for the notional period of secondary schooling, primary education appears to be financed to a lesser extent than the latter. Figure 10 clarifies this more fully.

On taking these factors into account, it may be concluded that lower secondary schools generally receive more funding than primary schools.

FIGURE 8: AVERAGE FUNDING OF A NOTIONAL YEAR OF STUDY IN LOWER SECONDARY EDUCATION (ISCED 2) AS COMPARED TO PRIMARY EDUCATION (ISCED 1) IN THE PUBLIC SECTOR, 1996



	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK		IS	LI	NO
ISCED 2/ISCED 1	162*	108	119	162*	139*	160	177	152	84*	92	111	130	101	95	94*		100	(:)	(:)

* : The basis for calculation varies; see the following notes

Source: Eurydice, on the basis of UOE data.

Additional notes

Belgium: Flemish Community only. Data for secondary education corresponds to ISCED levels 2 and 3.

Greece and **Luxembourg**: Data on primary education corresponds to ISCED levels 0 and 1 and data on lower secondary education to ISCED levels 2 and 3.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.

Ireland: Most schools are grant-aided private institutions, but are classified as public-sector schools in statistical data.

Netherlands: Public-sector schools are in the minority.

Portugal: Expenditure by regional and local authorities is not included.

United Kingdom: Data on lower secondary education corresponds to ISCED levels 2 and 3. Primary education does not last the same number of years throughout the United Kingdom. It lasts for six years in England and Wales, and seven in Scotland and Northern Ireland. However, the values in the table have assumed that six years is the norm everywhere and, similarly, that it is seven for ISCED levels 2 and 3 combined.

Iceland: The single continuous structure precludes any distinction between ISCED levels 0, 1 and 2. It has been hypothetically assumed that ISCED 0 comprises one of the ten years of study in the single structure, ISCED 1 six years, and ISCED 2, three years. The data for each level has then been broken down in the same proportion as the corresponding number of years. The columns constructed on this basis result in the same financing for each year for each of the levels.

Norway: Financial data is not broken down into ISCED levels 1 and 2, with the result that appropriate statistics are not available.

Explanatory Note

Calculation of the data is in two stages.

First of all, the average public funding corresponding to a year of study in primary and lower secondary education, respectively, is determined. This is done by dividing the total public expenditure allocated to each of these levels of education by the number of years that each lasts. The table below gives this number for all the countries concerned.

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
ISCED 1	6	6	4	9	6	5	6	5	8,5	6	4	6	6	6	6	6	5	9
ISCED 2	6	3	6	6	2	4	3	3	7	3	4	3	3	3	7	3	4	(:)

In countries for which the data corresponds to several ISCED levels, the number of years associated with each of those levels is included.

Secondly, average funding for a year of lower secondary education is divided by the corresponding funding for a year of primary education. The quotient so obtained is multiplied by 100 to give an index to base 100.

The Figure thus enables a cross-country comparison of the relation between the funding of primary and lower secondary education, respectively.

Several reasons given below provide a possible explanation for this. Some of them concern the way education is administered and their impact, which merits closer study, no doubt varies from one country to the next:

- teacher/pupil ratios are higher in secondary education, given that its provision is subject based, pupils can choose an increasing number of subjects as they progress through school and the weekly classroom workload of teachers is less than in primary education;
- teachers in secondary education are paid more than those in primary education in some countries;
- secondary education provides lessons in subjects requiring special and more costly facilities (such as science laboratories, technological equipment and language learning centres, etc.).

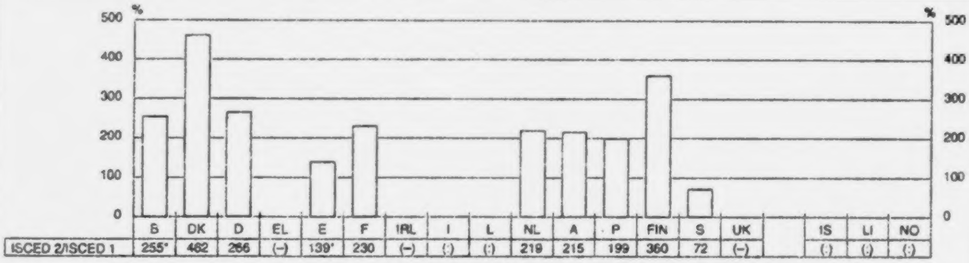
BEST COPY AVAILABLE

B.2. GRANT-AIDED PRIVATE EDUCATION

The analysis under the previous heading dealt solely with public-sector education. Although the study is not really concerned with grant-aided private education except in the case of three countries (see Section 1, point A.2), it is of interest to consider the breakdown of public resources between the levels of primary and lower secondary education in the countries in which a grant-aided private sector exists. The relevant data is given in Figure 9.

It should be immediately pointed out that this section does not allow for reliable comparisons between various educational sectors (such as public and grant-aided private) or, in other words, between Figures 8 and 9, since this would require data on the number of pupils concerned, which is not available to us.

FIGURE 9: AVERAGE PUBLIC FUNDING OF A NOTIONAL YEAR OF STUDY IN LOWER SECONDARY EDUCATION (ISCED 2) AS COMPARED TO PRIMARY EDUCATION (ISCED 1) IN THE GRANT-AIDED PRIVATE SECTOR, 1996



	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK		IS	LI	NO
ISCED 2/ISCED 1	255*	462	266	(–)	139*	230	(–)	(:)	(:)	219	215	199	360	72	(–)		(:)	(:)	(:)

* : The basis for calculation varies; see the following notes

Source: Eurydice, on the basis of UOE data.

Additional notes

Belgium: Flemish Community only. The ISCED 2 level includes ISCED 3 data.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.

Ireland: Most schools are grant-aided private institutions, but are classified as public-sector schools in statistical data. See Figure 8.

Italy: Private-sector lower secondary education is not grant aided. As the amounts of funding for primary and lower secondary levels are non-existent, it is not technically possible to calculate a value corresponding to this variable.

Luxembourg and Iceland: Data corresponding to ISCED levels 0, 1, 2 and 3 are all grouped together in the case of grant-aided private education. It is therefore not technically possible to calculate a value corresponding to this variable.

Portugal: Expenditure by regional and local authorities is not included.

United Kingdom: There are no grant-aided private schools at primary level. It is therefore not technically possible to calculate a value corresponding to this variable.

Explanatory Note

Calculation of the data is in two stages.

First of all, the average public funding corresponding to a year of study in primary and lower secondary education, respectively, is determined. This is done by dividing the total public expenditure allocated to each of these levels of education by the number of years that each lasts. The table below gives this number for all the countries concerned.

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK		IS	LI	NO
ISCED 1	6	6	4	9	6	5	6	5	8,5	6	4	6	6	6	6		6	5	9
ISCED 2	6	3	6	6	2	4	3	3	7	3	4	3	3	3	7		3	4	(:)

In countries for which the data corresponds to several ISCED levels, the number of years associated with each of those levels is included.

Secondly, average funding for a year of lower secondary education is divided by the corresponding funding for a year of primary education. The quotient so obtained is multiplied by 100 to give an index to base 100.

The Figure thus enables a cross-country comparison of the relation between the funding of primary and lower secondary education, respectively.

The situation in grant-aided private education is more contrasted than in the public-sector mainly because, in the former, schools are less uniformly distributed between the two educational levels. In the Flemish Community of Belgium, Denmark, Germany, France, the Netherlands, Austria, Portugal and Finland, in which grant-aided private schools exist at both levels, lower secondary education accounts for the greater share of public money awarded to them.

Thus Figure 9 confirms that the grant-aided private sector in the Netherlands is more fully developed in lower secondary education than at primary level. If the data for the public and grant-aided private sectors is aggregated and due regard is paid to the fact that the same rules govern funding in both sectors, lower secondary education is found to receive much more funding than primary education.

In Sweden, schools at primary level receive a greater share of the public resources awarded to grant-aided private education than do those at lower secondary level.

This data should not obscure the fact that enrolment in grant-aided private schools as a proportion of total pupil enrolment varies considerably from one country to the next. These schools account for over half of all pupils in the Flemish Community of Belgium and the Netherlands, under 10% in Germany, Luxembourg, Austria, Portugal, Finland and Sweden and between 10 and 30% in Denmark, Spain and France (see Figure 2).

C. EXPENDITURE PER PUPIL

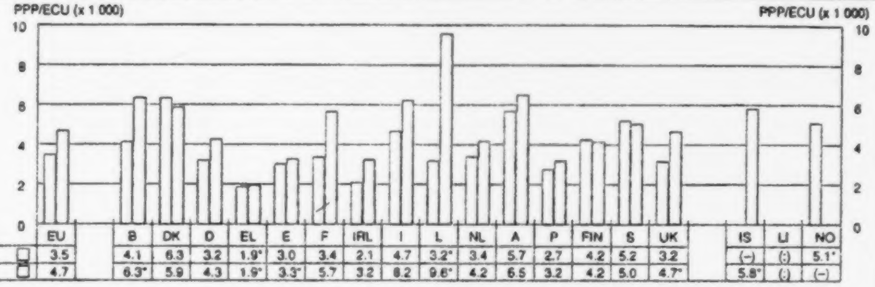
The differences observed under Section 2, point B may be partially attributable to the number of pupils enrolled in schools at the two levels of education concerned. The data is viewed from a better perspective if the important variable of expenditure per pupil and by level of education in public-sector schools is taken into account after calculating it in both cases.

It should be noted that, in contrast to the procedures adopted for Figures 8 and 9, the total expenditure of schools is considered or, in other words, all resources that have been used by them, whether they have been obtained from public or private sources. Privately procured funds may thus theoretically give rise to differences in comparison with data in the previous Figures (which relate solely to allocations from the public authorities). However, it is known that their amounts are relatively modest compared to the scale of public funding (see Chapter 5).

As can be seen from Figure 10, all countries award more financial resources per pupil to lower secondary schools than primary ones. While Denmark, Finland and Sweden appear to be exceptions, it should be borne in mind that the results obtained for them may be attributable to the methodological problems that arise when the resources for schools belonging to a single continuous structure are broken down to correspond to two separate levels of education. France, Luxembourg and, to a lesser extent, Germany, Ireland and Italy are characterized by major differences in the average resources per pupil at the two levels, which in each case are greater for lower secondary education. The Flemish Community of Belgium and the United Kingdom conform to a similar pattern, although the fact that the data includes pupils at ISCED level 3 forestalls any firm conclusion regarding lower secondary education in its own right. It should be noted that, in absolute terms, Figure 8 shows that Luxembourg awards more resources to primary than secondary education but, in contrast to Figure 10, the data does not take account of the fact that there are one-and-a-half times more pupils in the former than in secondary education.

From Figure 10 is obtained the table which follows it (Figure 11) showing that, in general, the EU countries which award a sum per pupil that is higher than the 'European value' for public-sector primary schools also award an amount higher than the 'European value' for lower secondary schools. Conversely, countries that award a sum (per pupil) that is lower than the 'European value' for primary schools also do so in the case of lower secondary schools. Exceptions to this rule are France and Luxembourg, which finance lower secondary education to a much greater extent than primary education.

FIGURE 10: EXPENDITURE PER PUPIL IN PUBLIC-SECTOR PRIMARY AND LOWER SECONDARY SCHOOLS (ISCED 1 AND 2), IN THOUSANDS OF PPP/ECU, 1996



	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
ISCED 1 ☐	3.5	4.1	6.3	3.2	1.9*	3.0	3.4	2.1	4.7	3.2*	3.4	5.7	2.7	4.2	5.2	3.2	(–)	(:)	5.1*
ISCED 2 ☐	4.7	6.3*	5.9	4.3	1.9*	3.3*	5.7	3.2	8.2	9.6*	4.2	6.5	3.2	4.2	5.0	4.7*	5.8*	(:)	(–)

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Belgium: Flemish Community only. Data for secondary education correspond to ISCED levels 2 and 3.
Greece and **Luxembourg**: Data for primary education correspond to ISCED levels 0 and 1 and, for lower secondary education, ISCED levels 2 and 3.
Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.
Ireland: Most schools are grant-aided private institutions, but classified as public-sector schools in statistical data.
Netherlands: Public-sector schools are in the minority but, as the Law of 1917 prohibits any difference in treatment between the two sectors, they may be regarded as representative of all schools.
United Kingdom: Data on lower secondary education correspond to ISCED levels 2 and 3.
Iceland: Data correspond to ISCED levels 0, 1, 2 and 3.
Norway: Financial data are not broken down into ISCED levels 1 and 2.

Explanatory note

The Figure shows, for both primary (ISCED 1) and lower secondary (ISCED 2) education, the result of dividing the total amount of resources awarded by the State (regardless of the administrative level concerned) to public-sector schools, by the number of pupils attending them.

Data expressed in national currencies have been converted using purchasing power parity indices.

FIGURE 11: EXPENDITURE PER PUPIL IN PUBLIC-SECTOR PRIMARY AND LOWER SECONDARY SCHOOLS: BREAKDOWN OF COUNTRIES IN ACCORDANCE WITH THEIR RELATION TO THE 'EUROPEAN VALUE', 1996

		PRIMARY EDUCATION	
		HIGHER THAN THE 'EUROPEAN VALUE'	LOWER THAN THE 'EUROPEAN VALUE'
SECONDARY EDUCATION	HIGHER THAN THE 'EUROPEAN VALUE'	B nl, (DK), I, A, (FIN), (S)	F, L
	LOWER THAN THE 'EUROPEAN VALUE'		D, EL, E, IRL, NL, P, UK

Source: Eurydice.

Additional notes

Denmark, Finland and **Sweden**: The Nordic countries for which data is available are shown in brackets because its breakdown between primary and lower secondary education is subject to reservations as already explained. However, these reservations are not enough to justify the withdrawal of the three countries from the Figure.
Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.
Iceland, Liechtenstein and **Norway**: Data incomplete or not available.

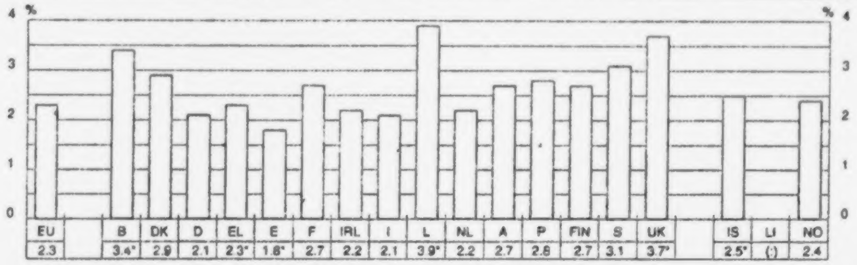
It should be emphasized that Figure 11 does not take account of the extent to which countries differ from the 'European value'. Two countries stand out in this respect, namely Austria whose values are very high, and Greece for which they are unusually low.

BEST COPY AVAILABLE

D. PUBLIC FUNDING FOR COMPULSORY EDUCATION AS A SHARE OF GDP

The indicator given in Figure 12 shows the share of GDP earmarked for the public funding of compulsory education. It is obtained by adding up data for primary and lower secondary schools in both the public and grant-aided private sectors. By aggregating the resources made available to primary and lower secondary schools, variations in the total number of years for both levels of education in the different countries may be reduced. This also makes it easier to take account of the particular characteristics of countries that have opted for a single continuous structure.

FIGURE 12: PUBLIC FUNDING OF PUBLIC-SECTOR AND GRANT-AIDED PRIVATE SCHOOLS IN PRIMARY AND LOWER SECONDARY EDUCATION, AS A SHARE OF GDP, 1996



* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

EU relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom. These countries alone are included so that the information shown in each of the Figures 12-16 can be measured against the same benchmark.

Belgium: Flemish Community only. The Figure includes data for ISCED level 3. The definition of GDP does not correspond exactly to the area in which education is provided. It may therefore be underestimated and result in an overestimation of the ratio.

Greece and **Luxembourg**: Data corresponding to ISCED levels 0 and 3 are also included.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.

Italy, Luxembourg and **Norway**: Grant-aided private schools are not included.

Portugal: Expenditure by regional and local authorities is not included.

United Kingdom: Data corresponding to ISCED level 3 is included.

Iceland: The figure contains the data from ISCED levels 0 and 3 for grant-aided private schools.

Explanatory note

The Figure shows the total amount of resources awarded by the State (regardless of the administrative level concerned) to schools, as a percentage of Gross Domestic Product. All public-sector and grant-aided private schools in primary and lower secondary education are taken into account.

The ‘European value’ (calculated for 12 EU countries) shows that if the countries of the EU formed a big single entity, 2.4% of its GDP would be earmarked for financing primary and lower secondary schools. In Spain, some of the resources earmarked for lower secondary education are grouped together with those relating to ISCED level 3 institutions, which are not shown here. As a result, the values have been underestimated.

However, this value varies considerably so that its highest level is twice as great as its lowest.

Luxembourg and, to a lesser extent, the Flemish Community of Belgium, Denmark, France, Austria, Portugal, Finland, Sweden and the United Kingdom are the countries which, relatively speaking, earmark most resources for compulsory education. As regards the Flemish Community of Belgium, Luxembourg and the United Kingdom, at least a partial explanation of this is the fact that the data include upper secondary education (ISCED 3) and, in the case of Luxembourg, pre-primary education (ISCED 0).

BEST COPY AVAILABLE

Analysing the source of these differences involves dividing this ratio into three elements using the following mathematical formula:

$$I_0 = \frac{\text{Public financing of schools}}{\text{GDP}} = I_1 . I_2 . I_3$$

$$\text{with } I_1 = \frac{\text{Public financing of schools}}{\text{Total budget for education}}$$

$$I_2 = \frac{\text{Total budget for education}}{\text{Total public expenditure}}$$

$$I_3 = \frac{\text{Total public expenditure}}{\text{GDP}}$$

The greater the three constituent ratios, I_1, I_2 and I_3, the greater the ratio 'Public financing of schools/GDP' (I_0) will be.

I_1 is the share of public funding of primary and lower secondary schools in the total public-sector education budget. The more a country earmarks a major share of its education budget for these schools, the greater will be the proportion of funding for them in its GDP.

I_2 is the total public-sector budget earmarked for educational expenditure.

Finally, I_3 stands for all state expenditure as a proportion of GDP (the total value of all goods and services produced domestically by a country in all economic sectors combined).

The greater the share of financing of primary and lower secondary schools in the total state budget for education, and/or the greater the proportion of this budget in entire state expenditure, and/or the greater the share of the latter in the whole domestic economy, the greater will be the ratio of public-sector financing of schools to GDP.

Figures 13, 14 and 15 show the values of the ratios I_1, I_2 and I_3, respectively. Figure 16 summarizes them to give a rounded explanation of the factors underlying the differences observed in Figure 12.

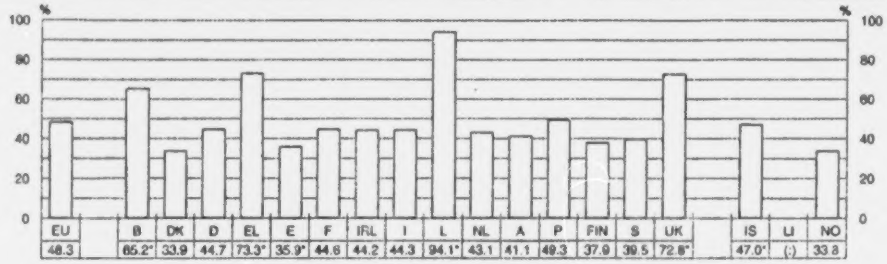
If the 12 EU countries for which data are available for the indicators I_1, I_2 and I_3 comprised a big national entity, almost half (45.9%) the financial resources earmarked for education would be for primary and lower secondary schools.

The inclusion of ISCED 3 data in the statistics for the Flemish Community of Belgium, Greece, Luxembourg and the United Kingdom has artificially increased their ratio, and is at least a partial reason for its high value. In Spain, on the other hand, some of the resources earmarked for lower secondary education are grouped together with those relating to ISCED level 3 institutions, which are not shown here. As a result, the values have been underestimated.

The ratio of over 90% for Luxembourg is very high indeed. A further reason for this is the fact that the financing of higher education there is on a relatively smaller scale than elsewhere (only first-year university higher education was provided in 1996, after which those wishing to continue their studies had to go abroad). Other levels of education thus account for a relatively much greater share of resources than in the remaining countries.

At the other extreme, Denmark only allocates a third of its public-sector resources for education to primary and lower secondary schools.

FIGURE 13: PUBLIC FINANCING OF PRIMARY AND LOWER SECONDARY PUBLIC-SECTOR AND GRANT-AIDED PRIVATE SCHOOLS, AS A SHARE OF THE TOTAL BUDGET FOR EDUCATION, 1996



EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
48.3	65.2*	33.9	44.7	73.3*	35.9*	44.6	44.2	44.3	94.1*	43.1	41.1	49.3	37.9	39.5	72.8*	47.0*	(:)	33.8

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

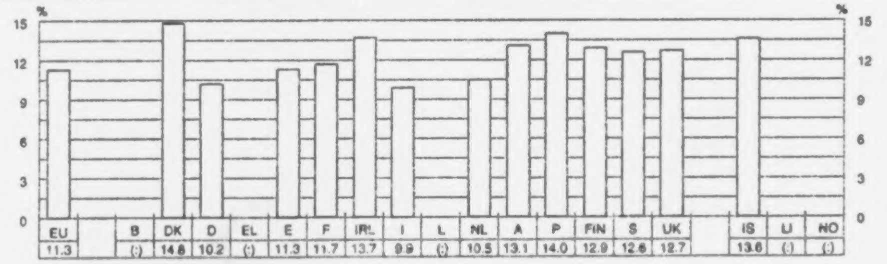
Additional notes

EU relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom. These countries alone are included so that the information shown in each of the Figures 12-16 can be measured against the same benchmark.
Belgium: Flemish Community only. The Figure includes ISCED 3 data.
Greece and Luxembourg: Data corresponding to ISCED levels 0 and 3 are also included.
Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.
Italy and Luxembourg: Grant-aided private schools are not included.
Portugal: Expenditure by regional and local authorities is not included.
United Kingdom: Data corresponding to ISCED level 3 are included.
Iceland: The figure contains the data from ISCED levels 0 and 3 for grant-aided private schools.

Explanatory note

The Figure shows the total amount of state resources awarded (at all administrative levels) to schools, expressed as a percentage of all national public expenditure on education (also at all administrative levels). All public-sector and grant-aided private schools in primary and lower secondary education are taken into consideration.

FIGURE 14: EDUCATION BUDGETS AS A SHARE OF TOTAL PUBLIC EXPENDITURE, 1996



EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
11.3	(:)	14.8	10.2	(:)	11.3	11.7	13.7	9.9	(:)	10.5	13.1	14.0	12.9	12.6	12.7	13.6	(:)	(:)

Source: Eurostat, UOE.

Additional notes

EU relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.
Portugal: Expenditure by regional and local authorities is not included.
Iceland: Data for total public expenditure submitted directly by the country.

Explanatory note

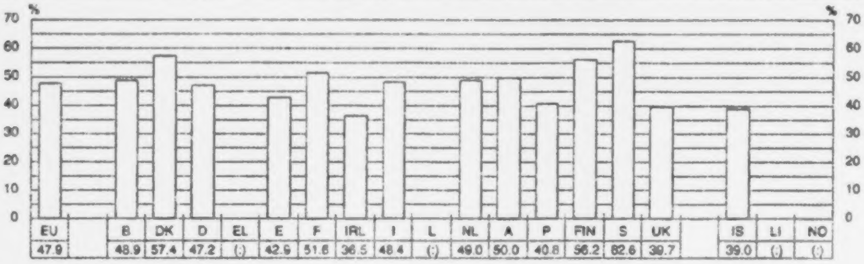
The Figure shows total state expenditure (at all administrative levels) on education as a percentage of entire national public expenditure (covering all sectors and at all administrative levels).

Two main groups of countries are evident from Figure 14. The first comprises those in which the ratio of public expenditure on education to total public expenditure is close to the 'European value', at 10-12%, as in Germany, Spain, France, Italy and the Netherlands.

BEST COPY AVAILABLE

The second, consisting of those which earmark over an eighth of their total public expenditure on education (12-15%), includes Denmark, Ireland, Portugal, Finland, Sweden, the United Kingdom and Iceland.

FIGURE 15: TOTAL PUBLIC EXPENDITURE
AS A SHARE OF GDP, 1996



Source: Eurostat, UOE.

Additional notes

EU relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.
Iceland: Data for total public expenditure submitted directly by the country.

Explanatory note

The Figure gives the total amount of state expenditure (on all sectors and at all administrative levels) as a percentage of GDP.

The scale of involvement by the public authorities within the European economy is quite considerable, amounting to more than 47% of GDP for the hypothetical single European entity of 12 countries. However, this value varies from one country to the next, depending on general political strategies regarding state intervention. The tradition in the Nordic countries is one of tremendous involvement by the public authorities. In Denmark, Finland and Sweden, the State (at all administrative levels) spends over 55% of GDP. In Spain, Ireland, Portugal, the United Kingdom and Iceland state involvement in economic activity is much less marked.

Figure 16 presents the information in Figures 13, 14 and 15 in such a way as to explain the differences between countries in the ratio 'Public financing of primary and lower secondary schools /GDP'.

Public financing of primary and lower secondary schools as a share of GDP in Denmark, Austria, Finland, Sweden and, to a lesser extent, France, is above the 'European value'. This is because the public authorities intervene in the national economy more than in other countries, while education there accounts for a greater-than-average share of total state expenditure. The financing of schools providing compulsory education compared to the total public funding of education (at all administrative levels) is less than the corresponding value for the whole of the EU, but not to the point that it offsets the effect of the first two ratios.

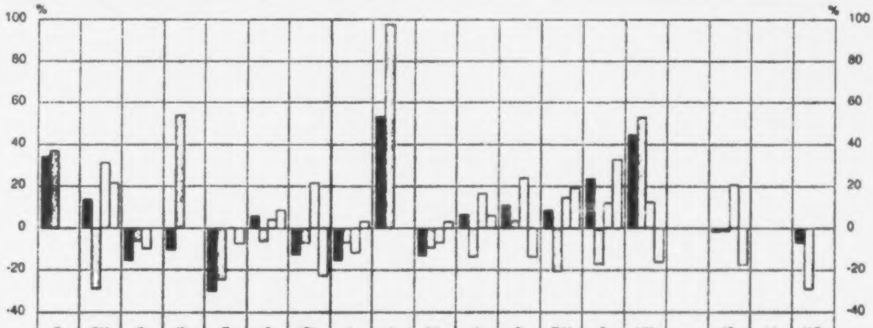
Because, in the case of Germany, all the constituent ratios are slightly lower than the 'European value', the ratio 'Public financing of primary and lower secondary schools/GDP' is also less than the 'European value'.

In Spain, Ireland and Iceland, public financing of schools providing compulsory education as a share of GDP is lower than the 'European value'. This is because of lesser state involvement in the economy, and the very minor share of all public expenditure on education accounted for by the funding of these schools. Expenditure on education as a share of all public expenditure is greater than elsewhere in the European Union, but not enough to offset the negative effect of the first two constituent ratios.

In Italy (where only public-sector schools are included in the data) and the Netherlands, the financing of primary and lower secondary schools as a share of the budget for education is lower than the 'European value'. While in both countries the state budget as a share of GDP is slightly higher than the 'European value', the proportion of that budget attributable to educational expenditure is significantly less than the corresponding EU share. As a result, the ratio 'Public financing of primary and lower secondary schools/GDP' is lower than the 'European value'.

In Portugal and the United Kingdom, the constituent ratios I_1 and I_2 are much higher than the 'European value', whereas I_3, the total state budget as a proportion of GDP is lower than it. However, this latter ratio is not so low as to offset the positive impact of the first two. The share of GDP earmarked for the financing of primary and lower secondary schools is thus higher than the 'European value'.

FIGURE 16: SUMMARY HISTOGRAM OF RELATIVE DIFFERENCES WITH RESPECT TO THE 'EUROPEAN VALUE' OF THE RATIOS I_0, I_1, I_2 AND I_3 OBTAINED BY BREAKING DOWN THE RATIO OF 'PUBLIC FINANCING OF PRIMARY AND LOWER SECONDARY SCHOOLS (ISCED 1 AND 2)/GDP', 1996



		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
I_0 / average	☐	34.3*	13.6	-15.3	-10.4*	-30.1*	5.9	-12.5	-15.3	53.2*	-13.1	6.4	11.1	8.6	23.6	44.6	-1.6	(:)	-6.8
I_1 / average	☐	37.1*	-28.8	-6.1	54.0*	-24.5*	-6.3	-7.1	-6.9	97.8*	-9.4	-13.7	3.6	-20.5	-17.1	53.0	-1.3	(:)	-29.0
I_2 / average	▣	(:)	31.3	-9.8	(:)	0.1	4.1	21.7	-11.8	(:)	-6.9	16.5	24.1	14.7	12.2	12.5	20.8	(:)	(:)
I_3 / average	■	(:)	21.6	0.0	(:)	-7.4	8.6	-22.6	3.1	(:)	3.1	5.9	-13.6	19.0	32.9	-16.0	-17.4	(:)	(:)

* : The basis for calculation varies; see the following notes

Source: Eurydice, on the basis of UOE data.

Additional notes

The 'European value' relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.

Belgium and **United Kingdom**: The Figure includes data corresponding to ISCED level 3.

Greece and **Luxembourg**: Data corresponding to ISCED levels 0 and 3 are also included.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.

Italy, Luxembourg and **Norway**: Grant-aided private schools are not included.

Portugal: Expenditure by regional and local authorities is not included.

Iceland: The figure contains the data from ISCED levels 0 and 3 for grant-aided private schools. Data for total public expenditure are submitted directly by the country.

Explanatory note

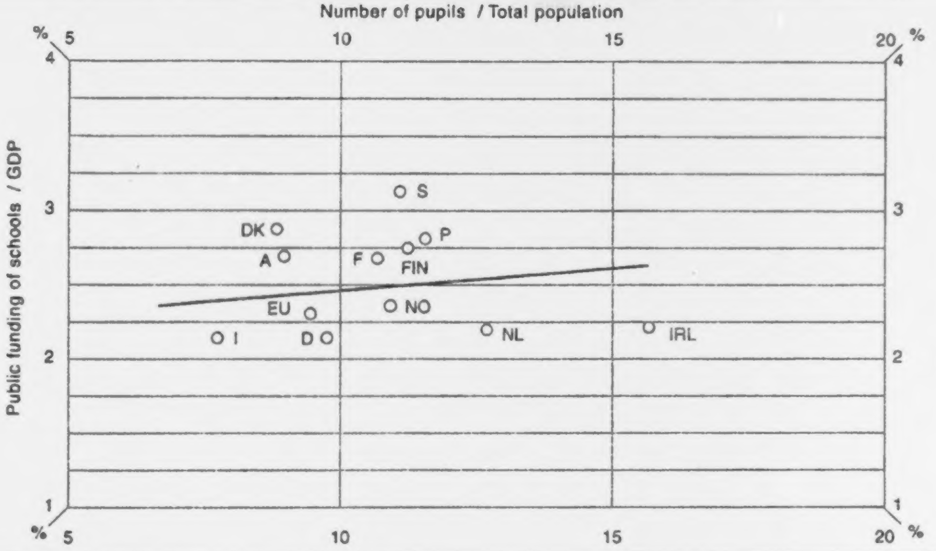
For each of the ratios in Figures 12, 13, 14 and 15, the value shown is obtained from the difference between the ratio for the country considered and the 'European value' corresponding to the same ratio. This difference is, in each case, then divided by the 'European value' so that variations between countries are all expressed in relation to it.

BEST COPY AVAILABLE

E. FUNDING OF COMPULSORY EDUCATION AND THE SCHOOL POPULATION

One consideration with a bearing on the resources needed to finance schools is the total number of pupils who attend them. Figure 17 relates public funding for primary and lower secondary education as a share of GDP (already shown in Figure 12) to the number of pupils, as a proportion of the total population, enrolled at these two levels of education.

FIGURE 17: RELATION BETWEEN THE SHARE IN GDP OF PUBLIC FUNDING EARMARKED FOR PRIMARY AND LOWER SECONDARY SCHOOLS (ISCED 1 AND 2), AND THE NUMBER OF PUPILS WHO ATTEND THEM EXPRESSED AS A PROPORTION OF THE TOTAL POPULATION, 1996



NUMBER OF PUPILS / TOTAL POPULATION (%)

EU		B *	DK	D	EL *	E	F	IRL	I	L *	NL	A	P	FIN	S	UK *		IS *	LI	NO
9.4		5.3	8.8	9.8	14.8	6.7	10.7	15.7	7.7	14.9	12.7	9.0	11.6	11.2	11.1	14.9		15.2	(:)	10.9

PUBLIC FUNDING OF SCHOOLS / GDP (%)

EU		B *	DK	D	EL *	E	F	IRL	I	L *	NL	A	P	FIN	S	UK *		IS *	LI	NO
2.3		3.4	2.9	2.1	2.3	1.8	2.7	2.2	2.1	3.9	2.2	2.7	2.8	2.7	3.1	3.7		2.5	(:)	2.4

*: The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

EU relates to the following 11 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland and Sweden.

Belgium, Greece, Luxembourg, United Kingdom and **Iceland**: Because the data available include elements corresponding to ISCED level 3 and, in the case of some countries, ISCED level 0, it is not included in this Figure.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3. They are not, therefore, shown in this Figure.

Italy and Norway: Grant-aided private schools are not included.

Explanatory note

The position of the points in the Figure is determined by the value of two ratios for a particular country.

Their position on the horizontal x-axis represents the percentage proportion of the total population enrolled in primary or lower secondary education. On the vertical y-axis, it represents the percentage proportion of GDP earmarked for the financing of primary and lower secondary schools (already illustrated in Figure 12).

The younger the population of a country, all other things being equal, the greater the effort it will have to invest in funding its schools and the greater, therefore, will be the share of its GDP earmarked for this funding.

44

The closer a country is to the right of the graph, the greater is the proportion of primary and lower secondary school pupils in its total population (and, with it, arguably, the greater the need for financing the schools concerned). The further a country is to the top of the graph, the greater is the share of its GDP earmarked for the public financing of its primary and lower secondary schools.

Thus a country at the top and to the left of the diagram would be one which, despite a relatively small school population, allocated substantial public subsidies to its schools. One at the bottom and to the right would have a relatively big pupil population but spend relatively little on its schools.

In fact, roughly speaking, most of the countries are spread around a diagonal that climbs from left to right.

The reason why Italy earmarks a relatively smaller share of GDP to its primary and lower secondary schools now becomes clearer – its school population is, in each case, also relatively smaller than elsewhere. Conversely, Sweden is the country which, proportionally, earmarks the most resources to primary and lower secondary education, with its school population, at those two levels, close to the 'European value'.

An exception is Ireland, which has the highest numbers of pupils, but earmarks school resources for them that are much lower than the 'European value'.

F. PUBLIC FINANCIAL RESOURCES FOR SCHOOLS PROVIDING COMPULSORY EDUCATION

The ratio 'Public financing of schools for compulsory education/GDP' may be broken down in accordance with the following formula:

$$\frac{\text{Public financing of schools}}{\text{GDP}} = \frac{\text{Public financing of schools}}{\text{Total budget for education}} \times \frac{\text{Total budget for education}}{\text{GDP}}$$

Figure 18 shows the two constituent variables in a single diagram. The first ratio is on the horizontal x-axis, and the second, on the y-axis. The countries are situated with respect to each of these two ratios.

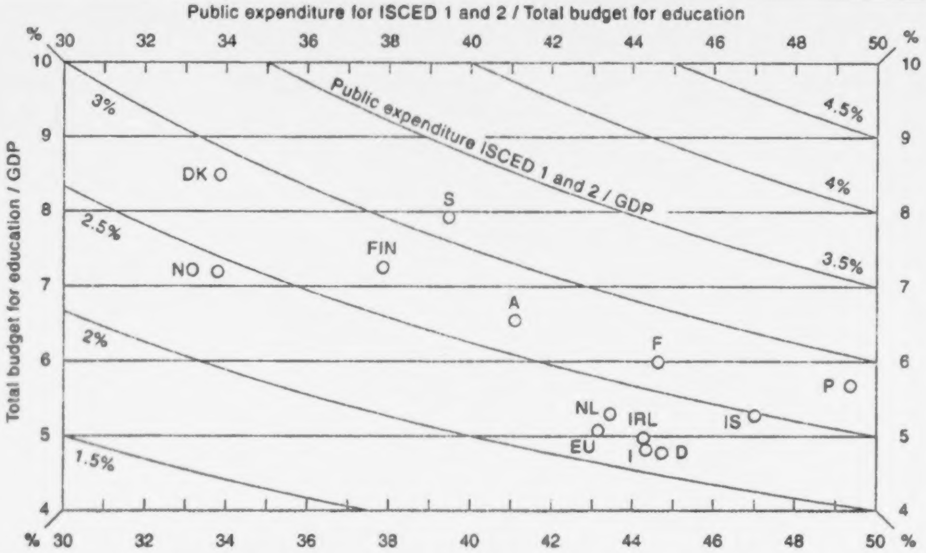
Since the ratio 'Public financing of schools/GDP', is the product of the ratios on the two axes, all combinations of the two constituent ratios which give the same values for the main ratio correspond to the branch of an equilateral hyperbola. Seven such branches corresponding to 'Public financing of schools/GDP' at values of 1.5, 2, 2.5, 3, 3.5, 4 and 4.5% have been shown in Figure 18. They, in turn, form a scale on which the various countries can be placed for comparative purposes.

On this basis, Sweden has a ratio 'Public financing of schools/GDP' which is greater than 3%. It is clear that this is because of a relatively high value for the ratio 'Public financing of schools/total budget for education' combined with a ratio 'Total budget for education/GDP' which is a little less than the 'European value'.

Likewise, although Denmark, France, Austria, Portugal and Finland display fairly similar values (between 2.6% and 2.9%) for the ratio 'Public financing of primary and lower secondary schools/GDP' (they are at the same height on the scale plotted by the branches of an equilateral hyperbola), these values have different explanations. In the case of Denmark, the exceptionally high proportion of its GDP attributable to the education budget offsets the modest share of public resources for education, which are earmarked for primary and lower secondary schooling. In Finland, the situation is fairly similar to that of Denmark, but far less accentuated. Finland earmarks a relatively modest share of its education budget for primary and lower secondary education, although the former itself accounts for a relatively high proportion of the resources produced annually by the domestic economy. The opposite applies to Portugal where the total budget for education does not represent a major share of GDP, but includes a substantial proportion of resources allocated to primary and lower secondary schools. France and Austria stand between these extremes.

Germany, Ireland, Italy, the Netherlands and Iceland display relatively similar trends standing quite close to the European value for both x and y variables.

FIGURE 18: RELATION BETWEEN THE PUBLIC FINANCING OF PRIMARY AND LOWER SECONDARY EDUCATION (ISCED 1 AND 2) AS A SHARE OF THE TOTAL BUDGET FOR EDUCATION, AND THE TOTAL FINANCING OF EDUCATION AS A SHARE OF GDP, 1996



PUBLIC EXPENDITURE FOR ISCED 1 AND 2 / TOTAL BUDGET FOR EDUCATION (%)

EU		B *	DK	D	EL *	E*	F	IRL	I	L *	NL	A	P	FIN	S	UK *		IS	LI	NO
43.4		65.2	33.9	44.7	73.3	35.9	44.6	44.2	44.3	91.1	43.1	41.1	49.3	37.9	39.5	62.3		47.0	(:)	33.8

TOTAL BUDGET FOR EDUCATION / GDP (%)

EU		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK		IS	LI	NO
5.3		5.2	8.8	4.7	3.1	4.8	6.0	5.0	4.9	4.3	5.3	6.5	5.7	7.4	8.0	5.1		5.3	(:)	7.2

PUBLIC EXPENDITURE FOR ISCED 1 AND 2 / GDP (%)

EU		B *	DK	D	EL *	E*	F	IRL	I	L *	NL	A	P	FIN	S	UK *		IS	LI	NO
2.3		3.4	2.9	2.1	2.3	1.8	2.7	2.2	2.1	3.9	2.2	2.7	2.8	2.7	3.1	3.7		2.5	(:)	2.4

*: The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

EU relates to the following 11 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden.

Belgium, Greece, Luxembourg and **the United Kingdom**: Because the data available includes elements corresponding to ISCED level 3 and, in the case of some countries, ISCED level 0, it is not included in this Figure.

Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3. They are not, therefore, shown in this Figure.

Italy and Iceland: Grant-aided private schools are not included.

Explanatory note

The position of the points in the diagram is determined by the value of the two ratios for the country concerned.

Their position on the horizontal x-axis represents the percentage proportion of the financing of primary and lower secondary schools in the total budget for education (information already specifically illustrated in Figure 13). On the vertical y-axis, it represents the percentage proportion of GDP earmarked for the public financing of education.

These **two variables** are both interchangeable and complementary.

They are **interchangeable** in the sense that one with a high value may compensate for the low value of the other and vice versa. Thus a given value (for example 2.5%) of the ratio 'Public financing of primary and lower secondary schools/GDP' may be either the product of a very high value for the share of the budget for primary and lower secondary schools in the entire education budget (for example 75%), and a very low value for the education budget as a share of GDP (3.33% in our example): or, alternatively, it may be the product of a very low value for the share of resources in the education budget which are for primary and lower secondary schools (40%) and a relatively big contribution of the education budget to the domestic economy (6.25% in our example). The more one variable has a high value, the more the other can be of a lower value without altering the value of the ratio 'Public financing of primary and lower secondary schools/GDP'. In the first case, primary and lower secondary education account for a big share of an education budget which itself makes only a relatively modest contribution to the domestic economy. In the second, the budget earmarked for primary and lower secondary schools accounts for just a small share of a total education budget which, as a proportion of GDP, is very substantial.

By the same token, the two variables are **complementary** in so far as a low value for either severely weakens the ratio 'Public financing of primary and lower secondary schools/GDP'. So the lower the value of one of the variables, the more the other must be very high to prevent a modest value for this ratio.

G. PUBLIC FINANCIAL RESOURCES FOR ALL LEVELS OF EDUCATION COMBINED

The share of the whole education budget in GDP comprises two constituent variables, namely the share of that budget in all public expenditure and the proportional contribution of the latter to all national domestic expenditure.

Figure 19 shows both the total budget for education as a share of all public expenditure (on the horizontal x-axis) and the share of the latter in the domestic economy (y-axis).

It thus plots the branches of a series of equilateral hyperbolas. They correspond to all the combinations of the two variables that result in one same particular value of the ratio 'Total education budget/GDP'. This value is indicated next to the curve. Like contours on a map, these successive curves constitute a scale. The more one moves to the top and right of the graph, the higher the value of the ratio.

Three categories of countries are apparent from studying the graph.

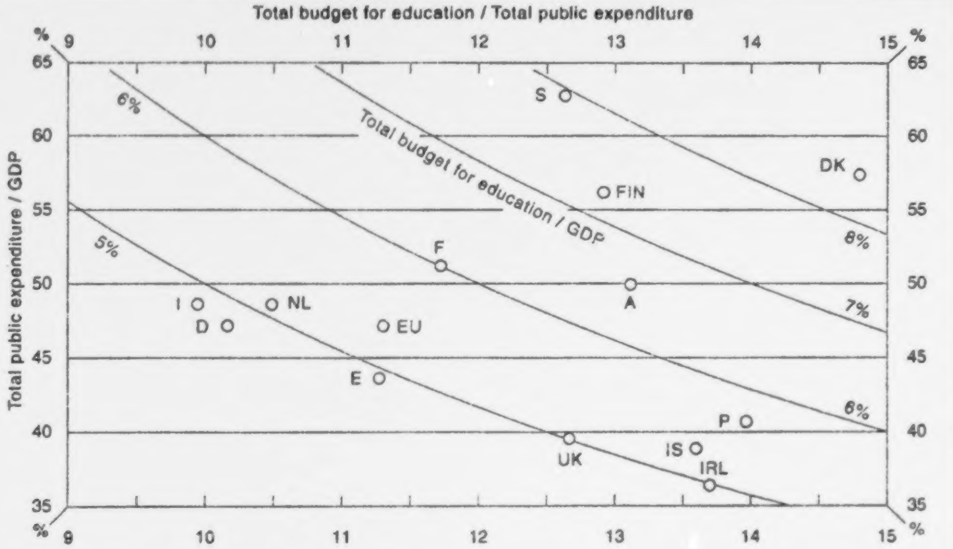
In Denmark, Finland and Sweden, the share of the total education budget in their GDP is relatively very high. However, there are differences between them. In Sweden, all public expenditure as a proportion of GDP is substantial and a little greater than in Denmark where, however, the total budget for education as a share of all public expenditure is significantly higher than in the former.

The second category comprises Germany, Italy, and the Netherlands. In these countries, the ratio 'Total public-sector budget/GDP' is more modest. However, state expenditure accounts for a significant proportion of the domestic economy (almost 50% of GDP), whereas the share of public expenditure earmarked for education is small (10-11%).

Ireland, Portugal, the United Kingdom and Iceland belong to the final category. Here, values of the ratio 'Total education budget/total public expenditure' are relatively close to those of the first group of countries but, in contrast to it, total public expenditure accounts for a smaller share (under 42%) of the domestic economy, and the total budget for education, a greater proportion of all public spending (over 12.5%).

Spain stands midway between countries in the second and third categories, while France and Austria are a hybrid of all three categories.

FIGURE 19: RELATION BETWEEN THE ENTIRE EDUCATION BUDGET AS A SHARE OF ALL PUBLIC EXPENDITURE, AND ALL PUBLIC EXPENDITURE AS A SHARE OF GDP, 1996



TOTAL BUDGET FOR EDUCATION / TOTAL PUBLIC EXPENDITURE (%)

EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
11.3	(:)	14.8	10.2	(:)	11.3	11.7	13.7	9.9	(:)	10.5	13.1	14.0	12.9	12.6	12.7	13.6	(:)	(:)

TOTAL PUBLIC EXPENDITURE / GDP (%)

EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
47.2	(:)	57.4	47.2	(:)	43.7	51.3	36.5	48.7	(:)	48.7	50.0	40.8	56.2	62.7	39.7	39.0	(:)	(:)

TOTAL BUDGET FOR EDUCATION / GDP (%)

EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
5.3	(:)	8.5	4.8	(:)	4.9	6.0	5.0	4.8	(:)	5.1	6.6	5.7	7.3	7.9	5.0	5.3	(:)	(:)

Source: Eurostat, UOE.

Additional notes

EU relates to the following 12 countries: Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.
Italy: Grant-aided private schools are not included.
Iceland: Data for total public expenditure submitted directly by the country.

Explanatory note

The position of the points in the diagram is determined by the value of the two ratios for the country concerned.

Their position on the horizontal x-axis represents entire public expenditure on education as a percentage proportion of total public expenditure, taking all administrative levels into account (Figure 14). On the vertical y-axis, it represents the latter as a percentage proportion of GDP. This second component has already been specifically considered in Figure 15.

These **two variables** are both interchangeable and complementary.

They are **interchangeable** in the sense that one with a high value may compensate for the low value of the other and vice versa. Thus a given value (for example 6%) of the ratio 'Total education budget/GDP' may be either the product of a very high value for the share of the entire education budget in all public expenditure (for example 15%), and a very low value for the latter as a share of GDP (40% in our example): or, alternatively, it may be the product of a very low value for the share of the education budget in all public expenditure (for example, 9%) and a relatively big contribution of all public expenditure to the domestic economy (two-thirds of GDP in our example). The more one variable has a high value, the more the other can be of a lower value without altering the value of the ratio 'Total education budget/GDP'. In the first case, education as a whole accounts for a big share of all public expenditure which itself makes only a relatively modest contribution to the domestic economy. In the second, the entire education budget accounts for just a small share of total public expenditure which itself, as a proportion of GDP, however, is very substantial.

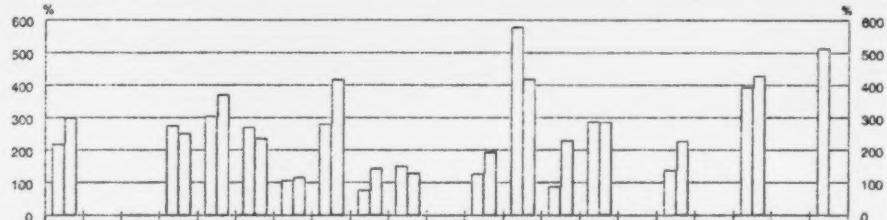
By the same token, the two variables are complementary in so far as a low value for either severely weakens the ratio 'Total education budget/GDP'. So the lower the value of one of the variables, the more the other must be very high to prevent a modest value for this ratio.

BEST COPY AVAILABLE

H. CAPITAL EXPENDITURE PER PUPIL

Capital expenditure per pupil yields information on the special effort made in the various countries to construct, restore or renovate school buildings. By using an average calculated over the three years from 1994 to 1996, differences linked to exceptional circumstances are avoided.

FIGURE 20: CAPITAL EXPENDITURE PER PUPIL IN PUBLIC-SECTOR PRIMARY AND LOWER SECONDARY SCHOOLS (ISCED 1 AND 2) – PPP AVERAGE FOR 1994, 1995 AND 1996



	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
ISCED 1 ☐	217	(:)	274	304	269	106	280	76	151	(:)	127	577	87	287	(:)	137	392	(:)	512*
ISCED 2 ☐	298	(:)	251	370	235*	116	417	144	130	(:)	194	418	229	286	(:)	227*	428	(:)	(:)

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Greece and United Kingdom: Data corresponding to ISCED level 3 are included for lower secondary education.
Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.
Portugal: In the case of the number of pupils, the average considered is the one for the years 1994 and 1996, and not 1994 to 1996.
Norway: Financial data are not broken down into ISCED levels 1 and 2.

Explanatory note

The data shown in the Figure are obtained from a calculation in three stages:

1. The total amount spent for all public-sector schools is converted into PPP-ECU using the 1995 conversion table for both 1994 and 1995, and the 1996 conversion table for 1996.
2. The simple arithmetical average of these amounts is calculated to obtain an average amount for one year. The simple arithmetical average, over the three years, of the number of pupils in public-sector education at the relevant ISCED level is also calculated, in order to obtain an average number of pupils for one year.
3. The first average is divided by the second one.

This operation is carried out separately for data in ISCED levels 1 and 2, respectively.

Austria stands out in investing almost twice the 'European value' in expenditure on school capital. Conversely, Spain and Ireland finance the acquisition of immovables and/or durable movable property to a relatively lesser extent than the other countries.

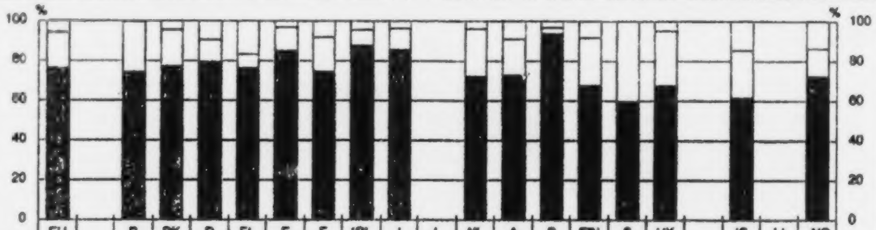
Over and above these differences between countries are differences between the levels of education in a single country. Germany, Greece, France, Ireland, the Netherlands, Portugal and the United Kingdom have invested much more in lower secondary than in primary schooling. On the other hand, in Italy and Austria, capital expenditure per pupil is higher in primary than in lower secondary education. In the other countries (Denmark, Spain, Finland and Iceland), the difference between the two levels, in capital expenditure per pupil, is not especially marked. In the case of the Nordic countries, this is perhaps due to the hypothetical distinction between ISCED 1 and ISCED 2 data within a single structure.

I. BREAKDOWN OF EXPENDITURE ON PRIMARY SCHOOLS BY MAJOR RESOURCE CATEGORY

Public resources earmarked for schools are used essentially to fund three major categories of expenditure: staffing costs, other operational goods and services, and capital. The breakdown of public funds between these three categories can provide an interesting insight into the priorities apparent in the various countries.

Figure 21 gives this breakdown of expenditure for public-sector primary schools.

FIGURE 21: PERCENTAGE BREAKDOWN OF PUBLIC EDUCATIONAL EXPENDITURE ON PUBLIC-SECTOR PRIMARY SCHOOLS (ISCED 1) INTO STAFF, OPERATIONAL AND CAPITAL EXPENDITURE, 1996



	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
Capital ☐	5.8	0.2	4.4	9.3	16.6*	3.1	8.1	4.4	3.6	(:)	3.8	8.9	3.2	8.1	0.0	4.6	14.5*	(:)	13.5*
Operations ☐	17.8	25.3	18.1	11.1	6.9*	11.8	17.3	7.9	10.7	(:)	23.9	18.3	3.1	24.1	40.3	27.7	24.0*	(:)	14.1*
Staff ■	76.4	74.5	77.5	79.6	76.5*	85.1	74.5	87.7	85.7	(:)	72.2	72.7	93.6	67.8	59.7	67.7	61.5*	(:)	72.4*

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Belgium: Flemish Community only.
Greece: Data corresponding to ISCED level 0 are included.
Netherlands: Schools in the private sector probably display similar values.
Sweden: Capital expenditure is included in operational expenditure.
Iceland: Data corresponding to ISCED levels 0, 1, 2 and 3 are bracketed together.
Norway: Financial data are not broken down into ISCED levels 1 and 2.

In general, in the hypothetical entity formed from 14 of the EU Member States (excluding Luxembourg for which data are not available), staff account for 76.4% of expenditure on primary schools, while other operational expenses represent 17.8% and capital 5.8%.

In all countries, expenditure on staffing represents the major share of expenditure on public-sector primary schools.

In their total expenditure on schools, most countries earmark a share for staff remuneration which is close to the 'European value' (just a little over three-quarters). However, Spain, Ireland, Italy and Portugal stand out in awarding even higher proportions, while Finland, Sweden, the United Kingdom and Iceland are noteworthy for markedly lower shares in this respect.

However, the fact that countries are fairly similar as regards the relative scale of expenditure on staff remuneration does not imply that the situations relating to expenditure on operational goods and services and on capital are identical. In the whole of the EU, expenditure on goods and services accounts for the greater share of expenditure other than that on staff remuneration, but there are wide variations between countries. The Flemish Community of Belgium, Denmark, Spain, the Netherlands, Austria and the United Kingdom earmark relatively more resources, excluding remuneration, for operational expenditure than for capital expenditure, whereas Germany, Greece, France, Ireland, Portugal and Norway attach greater importance to expenditure on capital. Italy and Finland share out their resources not linked to staff remuneration in a way similar to that of the hypothetical EU as a self-contained entity.

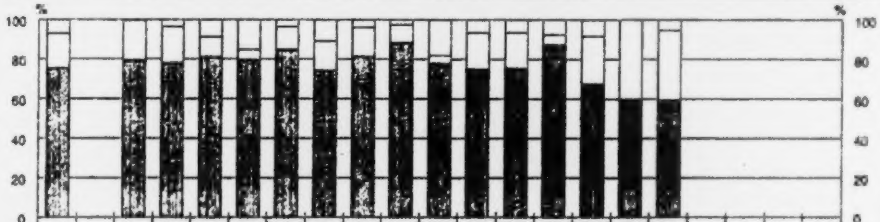
As regards all expenditure, including remuneration, that on capital is relatively higher in Greece, Iceland and Norway.

The way in which operational expenditure in the broad sense (all expenditure excluding capital expenditure) is broken down between staff remuneration and other operational costs (acquisition of operational goods and services) also varies very widely: as in the case of the EU as a single entity, Denmark and France break down their resources in proportions of four-fifths for staff remuneration and a fifth for other operational costs. Germany, Greece, Spain, Ireland, Italy and Portugal allocate a relatively bigger share of all operational expenditure to staff remuneration, whereas in the Netherlands, Austria, Finland and the United Kingdom, other operational goods and services, as opposed to staff remuneration, get the greater share.

J. BREAKDOWN OF EXPENDITURE ON LOWER SECONDARY SCHOOLS BY MAJOR RESOURCE CATEGORY

Broadly speaking, the situation in lower secondary education is the same as in the case of primary schools. None of the trends highlighted in Figure 21 is substantially different.

FIGURE 22: PERCENTAGE BREAKDOWN OF PUBLIC EDUCATIONAL EXPENDITURE ON PUBLIC-SECTOR LOWER SECONDARY SCHOOLS (ISCED 2) INTO STAFF, OPERATIONAL AND CAPITAL EXPENDITURE, 1996



	EU	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	LI	NO
Capital ☐	7.0	0.5*	3.6	8.6	15.1*	3.6	10.6	3.9	2.5	18.0*	6.5	6.5	7.5	8.1	0.0	5.2*	(:)	(:)	(:)
Operations ☐	17.6	20.1*	18.2	10.1	5.1*	11.4	14.9	14.6	8.9	4.0*	18.4	18.1	5.0	24.2	40.1	35.4*	(:)	(:)	(:)
Staff ▨	75.4	79.4*	78.2	81.3	79.8*	85.0	74.5	81.5	88.6	78.0*	75.2	75.5	87.5	67.7	59.9	59.4*	(:)	(:)	(:)

* : The basis for calculation varies; see the following notes

Source: Eurostat, UOE.

Additional notes

Belgium: Flemish Community only. Data corresponding to ISCED level 3 are included.
Greece, Luxembourg and **United Kingdom:** The figure includes data corresponding to ISCED level 3.
Spain: A substantial proportion of the ISCED level 2 data are in actual fact included in the statistics relating to ISCED level 3, and have not, therefore, been taken into account for the purposes of this Figure.
Netherlands: Schools in the private sector probably display similar values.
Sweden: Capital expenditure is included in operational expenditure.
Iceland and **Norway:** Financial data are not broken down into ISCED levels 1 and 2 (see Figure 21).

A few differences may nevertheless be noted.

In France, the share of staff remuneration in the overall budget for lower secondary education is the same as in primary education, but the greater scale of expenditure on capital is offset by smaller amounts spent on the acquisition of operational goods and services. However, this difference is not sufficiently marked to suggest that it is the result of a structurally different method of awarding resources.

In Ireland and the United Kingdom, the percentage of capital expenditure on expenditure in primary and lower secondary education is the same. In primary education, the share of expenditure on staff is much higher than in lower secondary education, and that on the acquisition of operational goods and services correspondingly lower.

Luxembourg channels a very large proportion of its resources into the acquisition of capital goods.

In Portugal, the acquisition of operational goods and services accounts for virtually the same share of the total budgets for primary and lower secondary education, respectively. But, whereas primary education uses proportionally more resources for remunerating teaching staff, lower secondary education uses more for expenditure on capital.

The differences shown in Figures 21 and 22 may be attributed to variations between one country and the next, in terms of the salary levels of teachers, their average age, class sizes and official requirements relating to school buildings, etc. Precise identification of these factors would involve the use of further indicators for which the necessary information is unfortunately not available.

SECTION 3

DIAGRAMS SHOWING FINANCIAL FLOWS

Each diagram shows the transfers of resources awarded to schools for a particular country or for a category of schools within a particular country. The year of reference is 1997/98. It is recommended that the information be read from the bottom of the diagram up. The different types of resources used by the school are illustrated in this part of the diagram, grouped into three broad categories. The arrows leading to one type of resources (human or material) represent the arrival of the latter at the school. Moving up each arrow, the actor involved in acquiring this type of resource can be identified. This could be the school itself (more specifically, the school head or the school governing body), or an intermediate or higher authority. If this actor itself receives resources in order to fulfil its responsibilities, this other transfer is also shown by an arrow, which is continuous or broken to indicate whether it is a transfer of resources in cash or in kind

The reader might be surprised to note that all the arrows which arrive at the categories of resources indicated at the bottom of the diagram correspond to transfers in kind. It should be remembered that these arrows are situated downstream from the acquisition of resources. The school can thus be represented at two levels. It is always present at the bottom of the diagram in its role as receiver of resources. It can also be shown as an actor involved in the financial transfer when it acquires the resources itself. Thus, a school head who undertakes the payment of his staff himself from a cash allocation received from an intermediate or higher authority (shown by a continuous arrow from the authority in question towards the school budget) would have the task of converting this sum of money into people physically present within the school (shown by a broken arrow from the school budget to the category of resources).

The way in which budgets are represented also gives an idea of the leeway of the actor in defining the amount of the allocation. If a school receives allocations for particular purposes, its budget is shown as several thick broken lines, each being the result of a transfer emanating from an intermediate or higher authority. If a school receives a global allocation which it distributes across the different categories of resources as it wishes, or particular allocations with possibilities for transfers between budgetary headings, its budget is shown as a thick continuous line.

The diagrams relate first and foremost to transfers of public funds. Contributions from parents or funding from private sources are not shown.

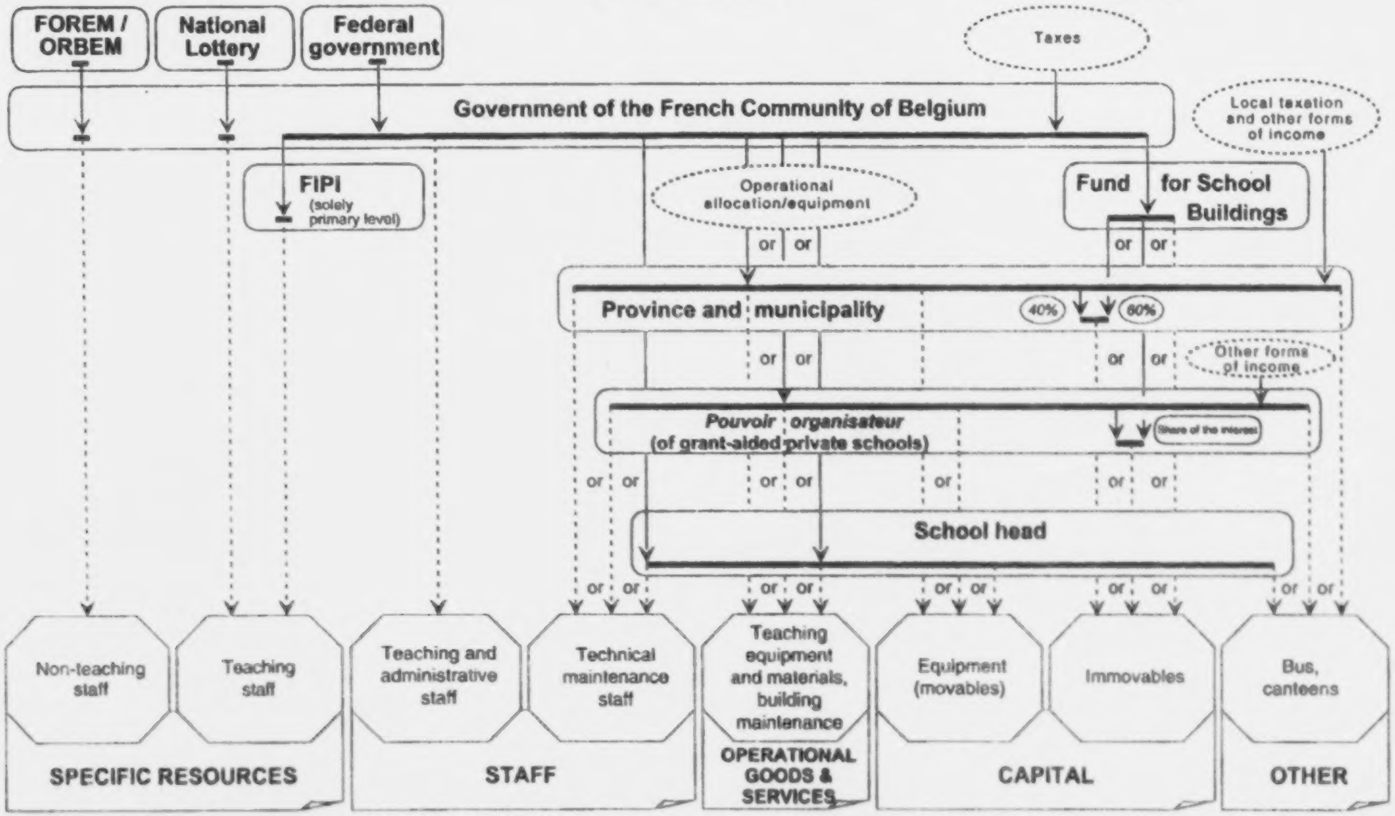
KEY

⬭	Administrative body at central level involved in the transfer of resources
⬭	Administrative body at regional or local level involved in the transfer of resources
⬭	School body involved in the transfer of resources
↓	Resource transfers in cash, from the body that provides the resources to the body that uses them.
⇣	Resource transfers in kind, from the body that provides the resources to the body that uses them
━	All budgetary resources that may come from different sources and/or be awarded for different purposes by the agency responsible for administering the budget.
Name of the allocation	The special name for a resource transfer
⬡	Specific resource allocation

DIAGRAMS

		Primary schools	Lower secondary schools	Primary and lower secondary schools
	EUROPEAN UNION			
B fr	Community and grant-aided schools			✓
B de	Community and grant-aided schools			✓
B nl	Community schools			✓
	Grant-aided schools			✓
DK	Maximum degree of delegation			✓
D				✓
EL		✓	✓	
E	Autonomous Communities which exercise their powers	✓	✓	
	Autonomous Communities which do not exercise their powers	✓	✓	
F		✓		
	Collèges		✓	
IRL		✓		
	Vocational schools and *community colleges*		✓	
	Voluntary secondary schools (non-fee paying schools), *community* and *comprehensive schools*		✓	
I		✓	✓	
L		✓	✓	
NL		✓	✓	
A	*Hauptschulen* and *Polytechnische Schulen*			✓
	Allgemeinbildende höhere Schulen		✓	
P	1st stage of *ensino básico*	✓		
	2nd and 3rd stages of *ensino básico*		✓	
FIN	Maximum degree of delegation			✓
S				✓
UK (E/W)	LEA-*maintained schools*			✓
	Grant-maintained schools			✓
UK (NI)	*Controlled* and *maintained schools*			✓
	Voluntary grammar schools, Grant-maintained integrated schools			✓
UK (SC)				✓
	EFTA/EEA			
IS				✓
LI		✓	✓	
NO				✓

– BELGIUM (French Community) — Community and grant-aided schools — Primary and lower secondary schools 1997/98 –

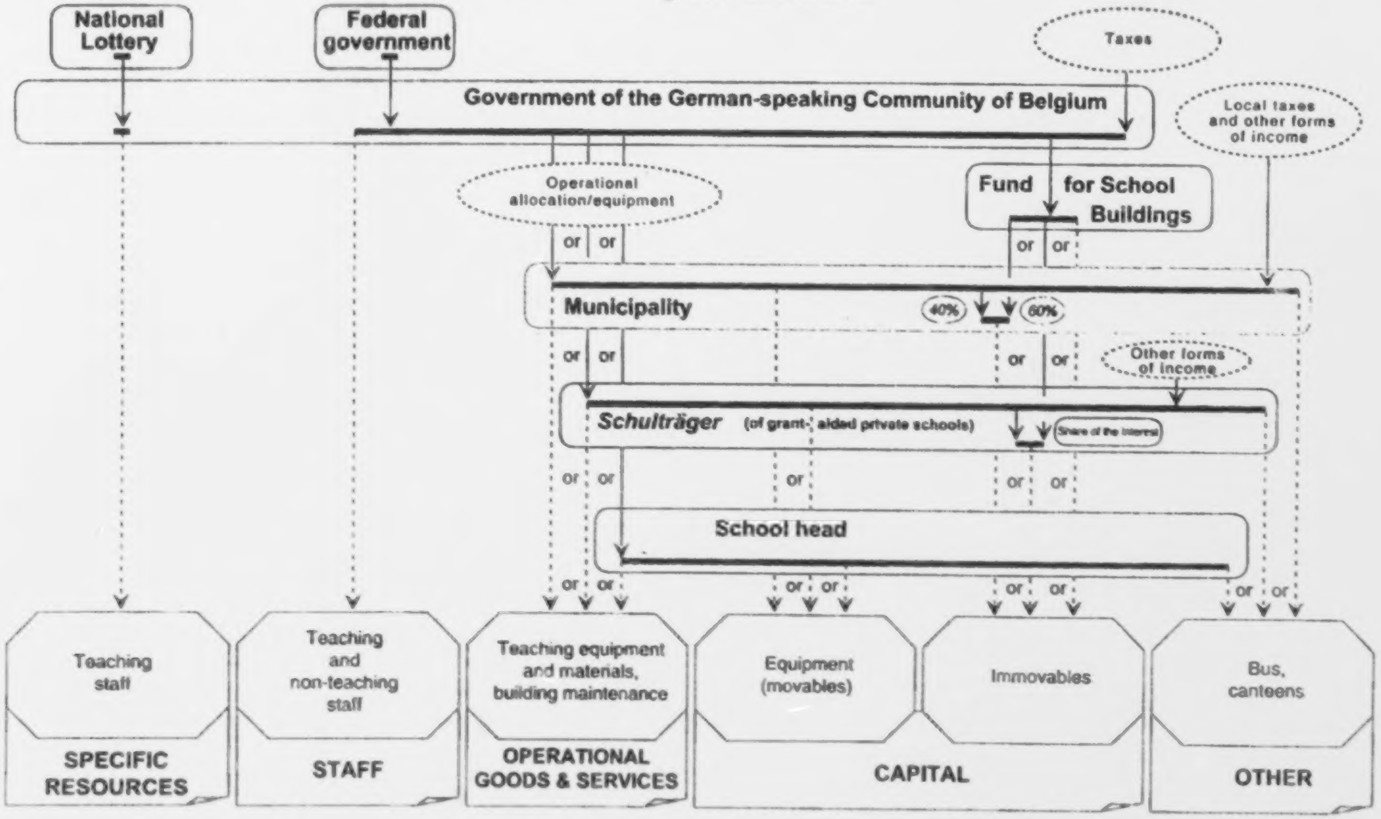

FOREM / ORBEM
National Lottery
Federal government
Taxes
Government of the French Community of Belgium
Local taxation and other forms of income
FIPI (solely primary level)
Operational allocation/equipment
Fund for School Buildings
or
Province and municipality
40%
60%
Other forms of income
Pouvoir organisateur (of grant-aided private schools)
Share of the interest
School head
Non-teaching staff
Teaching staff
Teaching and administrative staff
Technical maintenance staff
Teaching equipment and materials, building maintenance
Equipment (movables)
Immovables
Bus, canteens
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

FOREM = *Formation Emploi* (this is a public service body for vocational training and employment in the Region of Wallonia); ORBEM = *Office régional bruxellois de l'emploi* (Brussels Region Employment Office); FIPI = *Fonds d'impulsion à la politique des immigrés* (fund to support policies for immigrants).

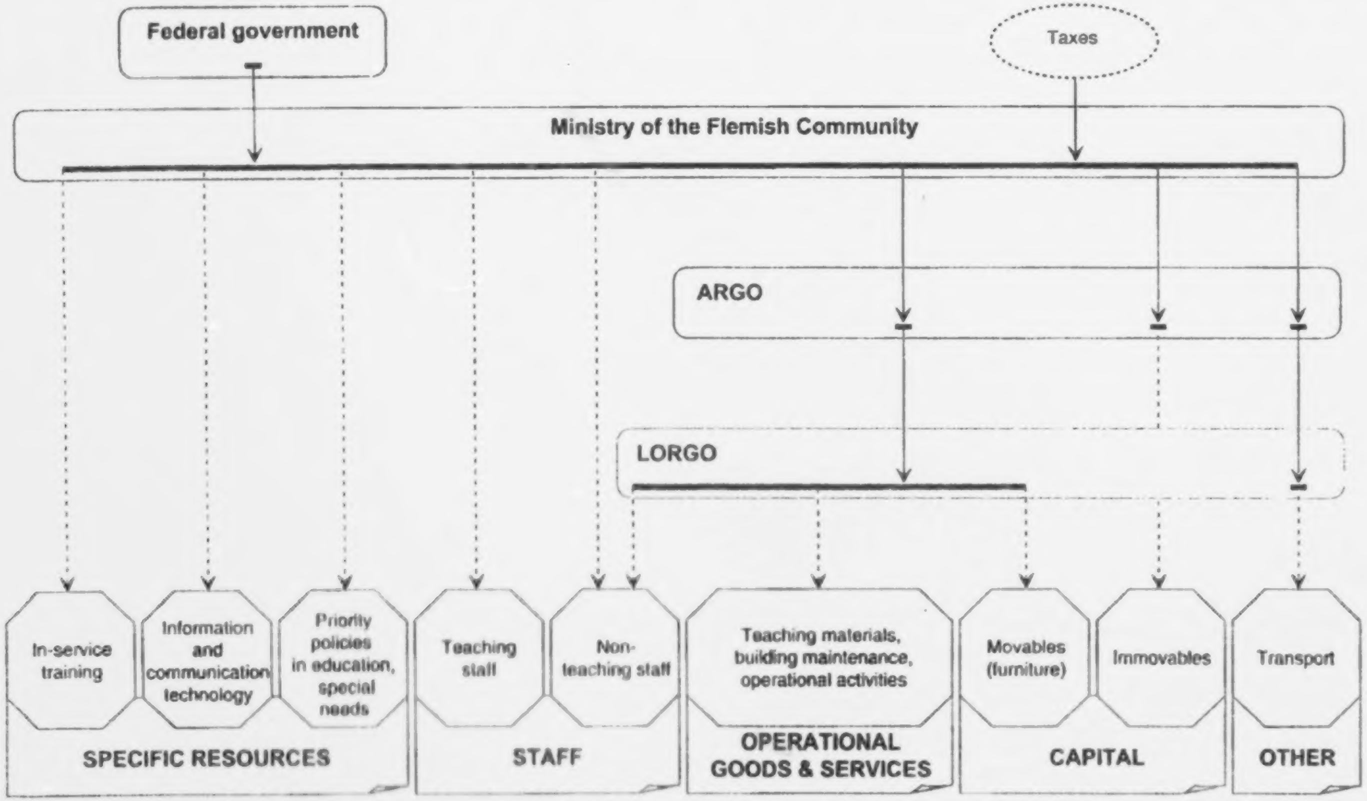
The diagram illustrates financial flows relating to schools administered by the Community, schools administered by the provinces and *communes* and grant-aided private schools. The provinces, *communes* (municipalities), and the bodies that maintain private schools are only involved in transfers on behalf of the schools they administer.

– BELGIUM (German-speaking Community) — Community and grant-aided schools — Primary and lower secondary schools 1997/98 –


National Lottery
Federal government
Taxes
Government of the German-speaking Community of Belgium
Local taxes and other forms of income
Operational allocation/equipment
Fund for School Buildings
or
Municipality
40%
60%
Other forms of income
Schulträger (of grant-aided private schools)
Share of the internat
School head
Teaching staff
SPECIFIC RESOURCES
Teaching and non-teaching staff
STAFF
Teaching equipment and materials, building maintenance
OPERATIONAL GOODS & SERVICES
Equipment (movables)
Immovables
CAPITAL
Bus, canteens
OTHER

Source: Eurydice.

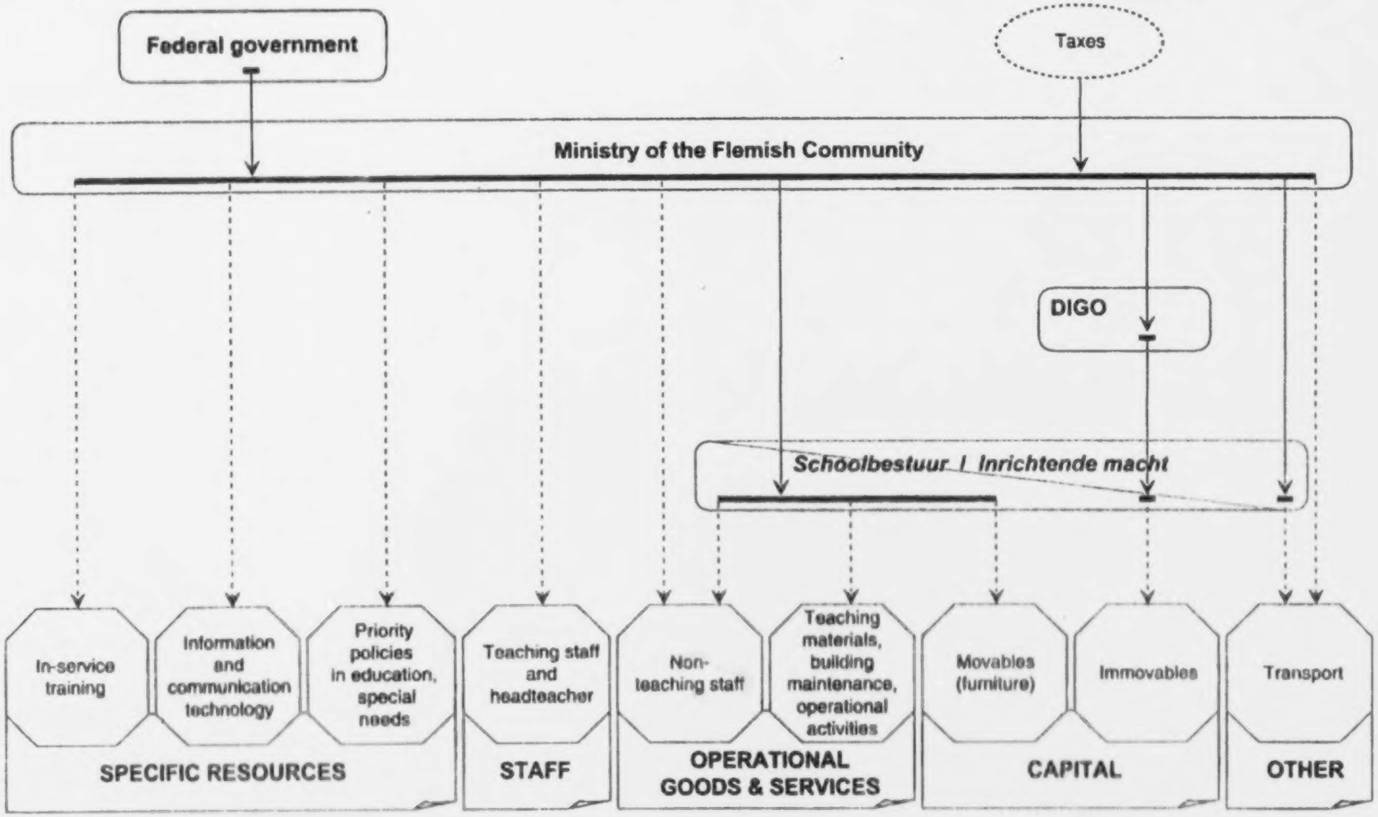
BELGIUM (Flemish Community) — Community schools — Primary and lower secondary schools 1997/98


Federal government
Taxes
Ministry of the Flemish Community
ARGO
LORGO
In-service training
Information and communication technology
Priority policies in education, special needs
Teaching staff
Non-teaching staff
Teaching materials, building maintenance, operational activities
Movables (furniture)
Immovables
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

ARGO = *Autonome raad voor het Gemeenschapsonderwijs* (an autonomous body which acts as an administrative authority on behalf of the Flemish Community for all schools for which the Community is responsible); LORGO = *Lokale Raad voor het Gemeenschapsonderwijs* (local councils attached to the ARGO).

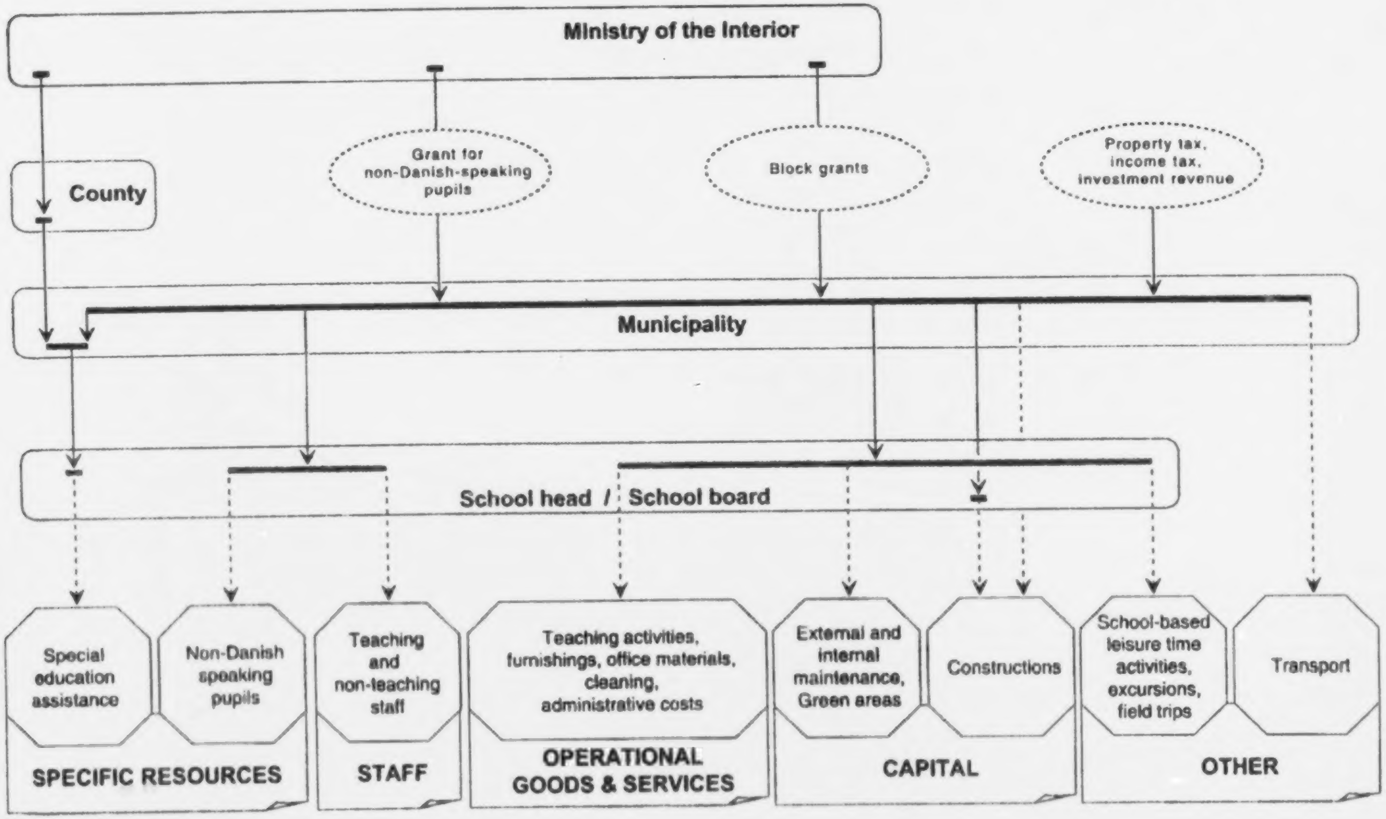
BELGIUM (Flemish Community) — Grant-aided schools — Primary and lower secondary schools 1997/98


Federal government
Taxes
Ministry of the Flemish Community
DIGO
Schoolbestuur / Inrichtende macht
In-service training
Information and communication technology
Priority policies in education, special needs
Teaching staff and headteacher
Non-teaching staff
Teaching materials, building maintenance, operational activities
Movables (furniture)
Immovables
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

DIGO = *Dienst voor infrastructuurwerken van het Gesubsidieerd Onderwijs* (a body responsible for managing resources for expenditure on infrastructure for grant-aided schools in the public and private sectors). The administrative authority (*schoolbestuur* in the case of primary schools/*inrichtende macht* in the case of secondary schools) is a local authority (province or municipality) in the case of the grant-aided public-sector schools and a local-level body in the case of the grant-aided private schools.

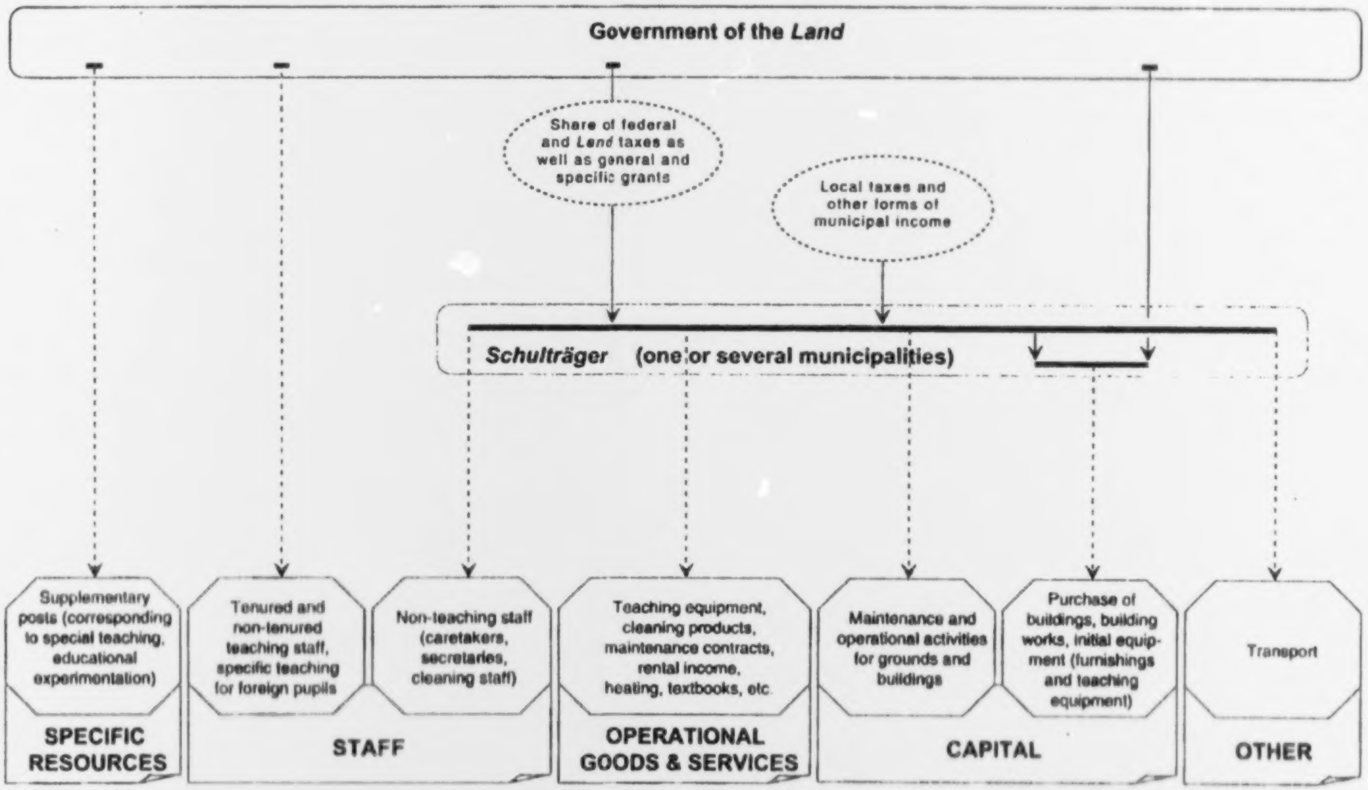
– DENMARK ——— Maximum degree of delegation ——— Primary and lower secondary schools 1997/98 –


Ministry of the Interior
County
Grant for non-Danish-speaking pupils
Block grants
Property tax, income tax, investment revenue
Municipality
School head / School board
Special education assistance
Non-Danish speaking pupils
Teaching and non-teaching staff
Teaching activities, furnishings, office materials, cleaning, administrative costs
External and internal maintenance, Green areas
Constructions
School-based leisure time activities, excursions, field trips
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

The extent to which budgets are delegated to schools varies from one municipality to the next. The diagram illustrates a situation in which there has been the fullest possible delegation.

GERMANY — **Primary and lower secondary schools 1997/98**

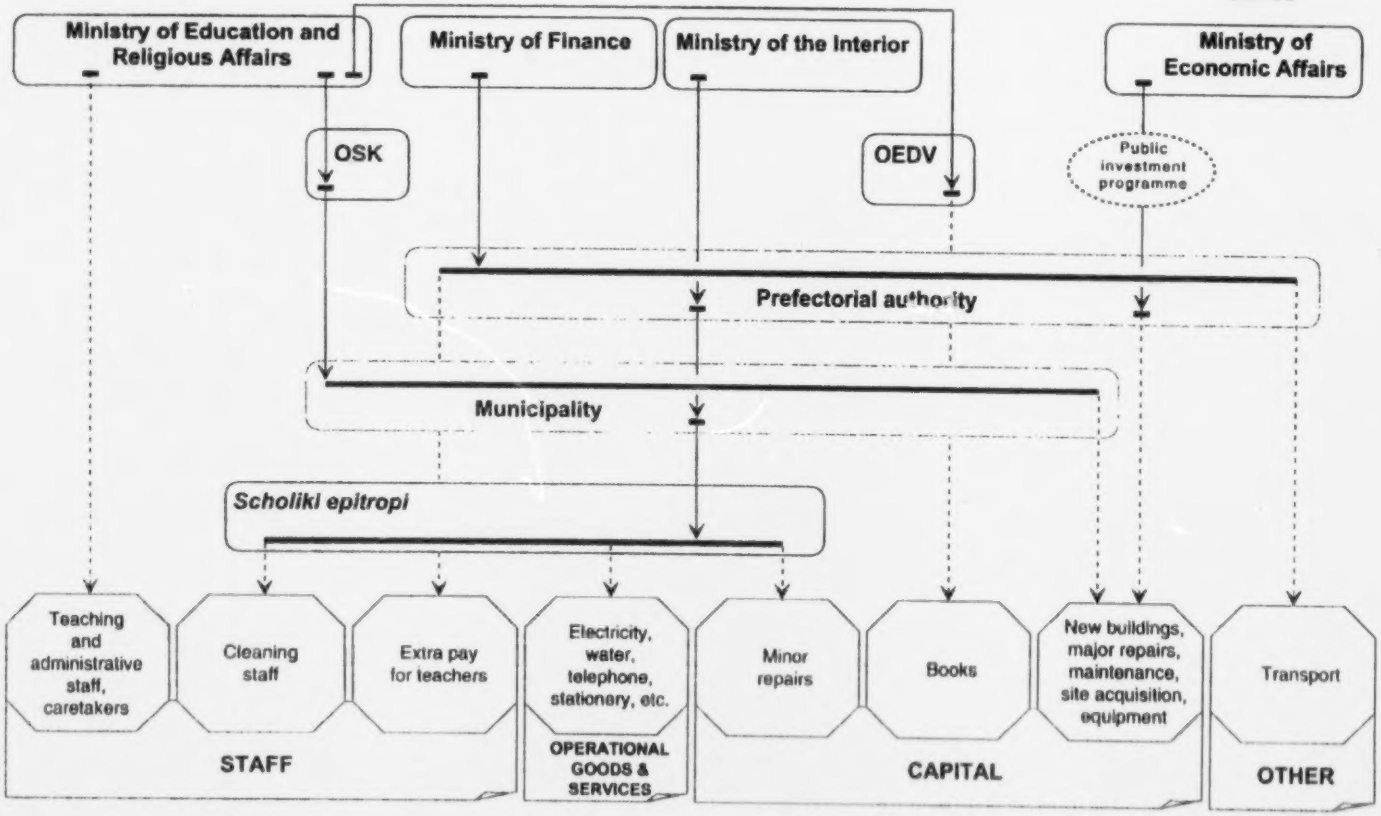

Government of the *Land*
Share of federal and *Land* taxes as well as general and specific grants
Local taxes and other forms of municipal income
Schulträger (one or several municipalities)
Supplementary posts (corresponding to special teaching, educational experimentation)
SPECIFIC RESOURCES
Tenured and non-tenured teaching staff, specific teaching for foreign pupils
Non-teaching staff (caretakers, secretaries, cleaning staff)
STAFF
Teaching equipment, cleaning products, maintenance contracts, rental income, heating, textbooks, etc.
OPERATIONAL GOODS & SERVICES
Maintenance and operational activities for grounds and buildings
Purchase of buildings, building works, initial equipment (furnishings and teaching equipment)
CAPITAL
Transport
OTHER

Source: Eurydice.

BEST COPY AVAILABLE

– GREECE

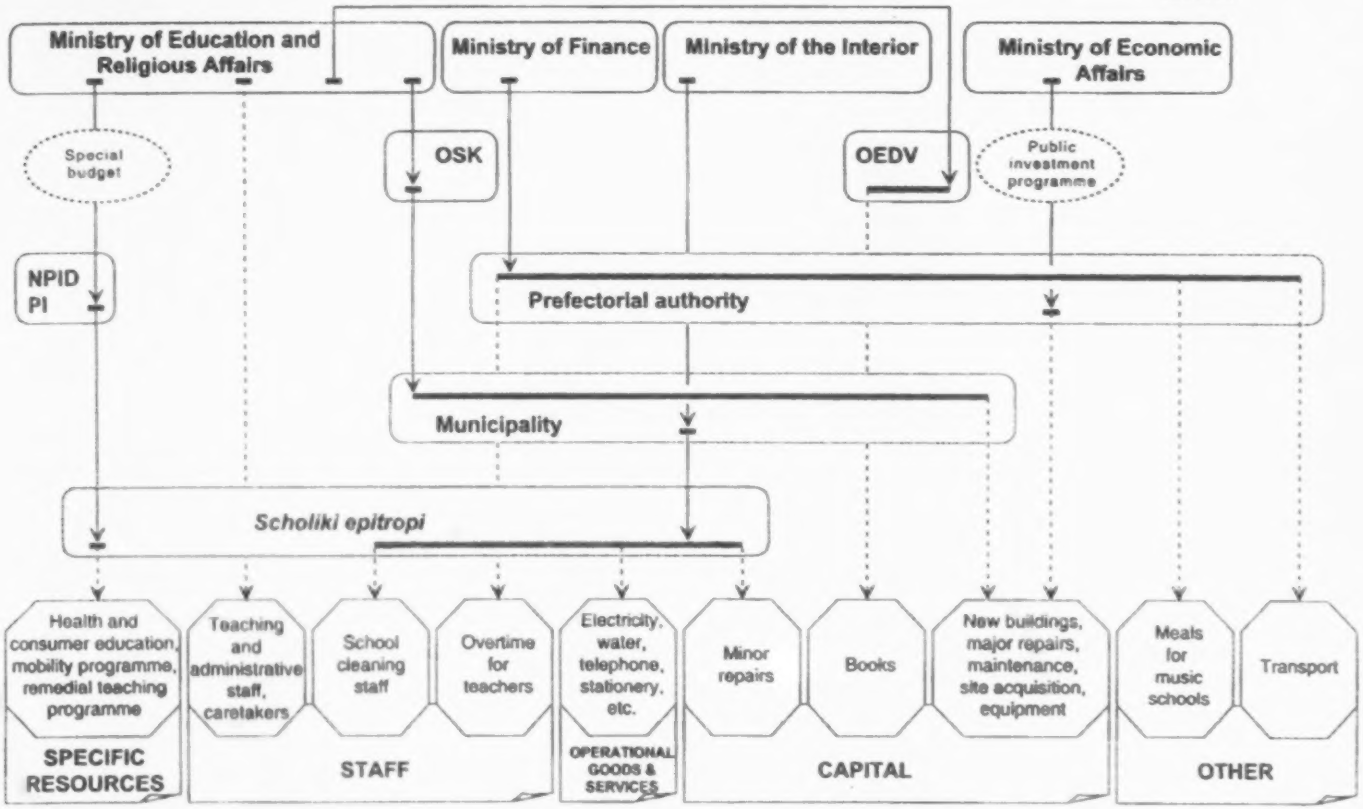
Primary schools 1997/98


Ministry of Education and Religious Affairs
Ministry of Finance
Ministry of the Interior
Ministry of Economic Affairs
OSK
OEDV
Public investment programme
Prefectorial authority
Municipality
Scholiki epitropi
Teaching and administrative staff, caretakers
Cleaning staff
Extra pay for teachers
Electricity, water, telephone, stationery, etc.
Minor repairs
Books
New buildings, major repairs, maintenance, site acquisition, equipment
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

OEDV = *Organismos Ekdoseos Didaktikon Vivlion* (Organization for the Publishing of School Books); OSK = *Organismos Skolikon Ktirion* (Organization for the Building of Schools).

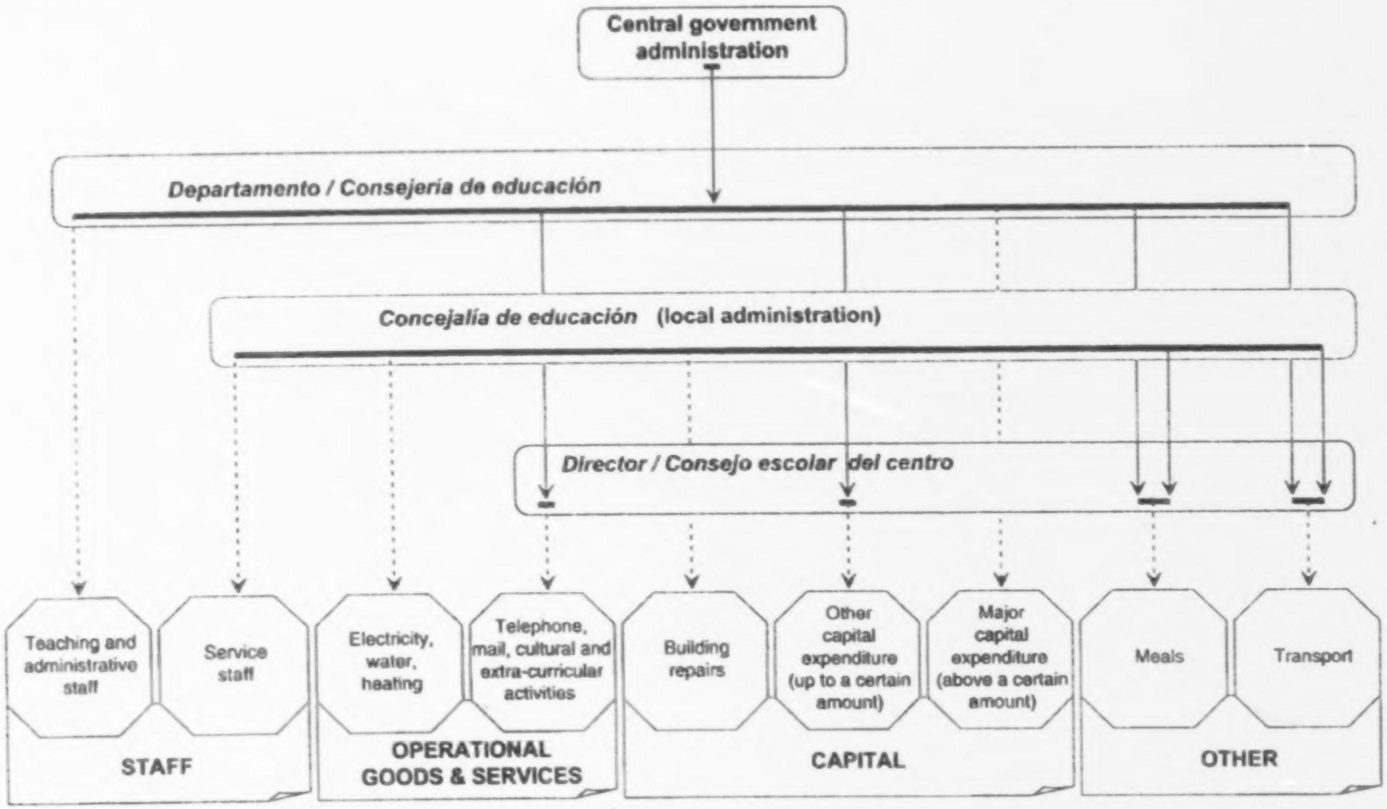
GREECE — **Lower secondary schools 1997/98**


Ministry of Education and Religious Affairs
Ministry of Finance
Ministry of the Interior
Ministry of Economic Affairs
Special budget
OSK
OEDV
Public investment programme
NPID
PI
Prefectorial authority
Municipality
Scholiki epitropi
Health and consumer education, mobility programme, remedial teaching programme
Teaching and administrative staff, caretakers
School cleaning staff
Overtime for teachers
Electricity, water, telephone, stationery, etc.
Minor repairs
Books
New buildings, major repairs, maintenance, site acquisition, equipment
Meals for music schools
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

NPID = *Nomika Prosopa Idiotikou Dikaiou* (Private Law Legal Entities); OEDV = *Organismos Ekdoseos Didaktikon Vivlion* (Organization for the Publishing of School Books); OSK = *Organismos Skolikon Ktirion* (Organization for the Building of Schools); PI = *Paidagogiko Instituto* (Pedagogical Institute).

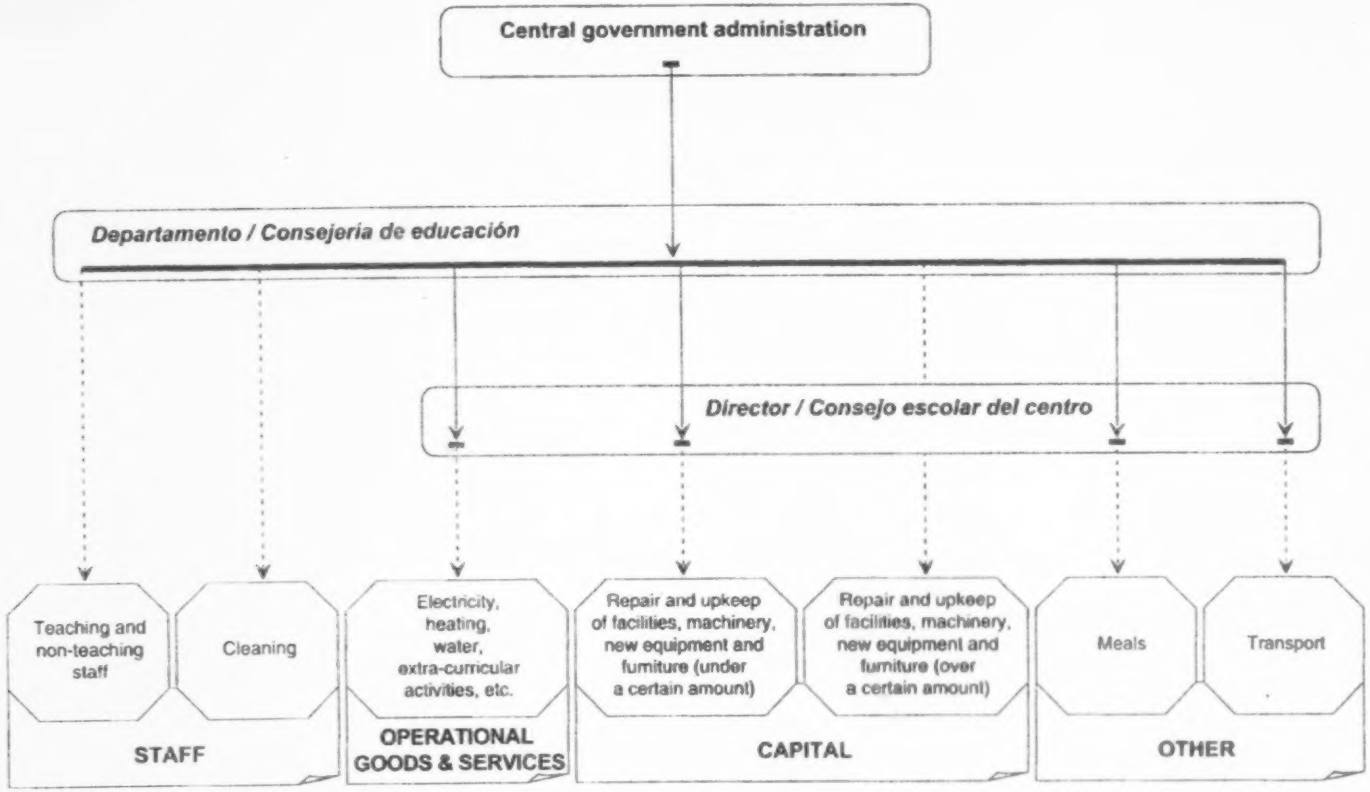
– SPAIN — Autonomous Communities which exercise their powers — Primary schools 1997/98 –


Central government administration
Departamento / Consejeria de educación
Concejalía de educación (local administration)
Director / Consejo escolar del centro
Teaching and administrative staff
Service staff
Electricity, water, heating
Telephone, mail, cultural and extra-curricular activities
Building repairs
Other capital expenditure (up to a certain amount)
Major capital expenditure (above a certain amount)
Meals
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

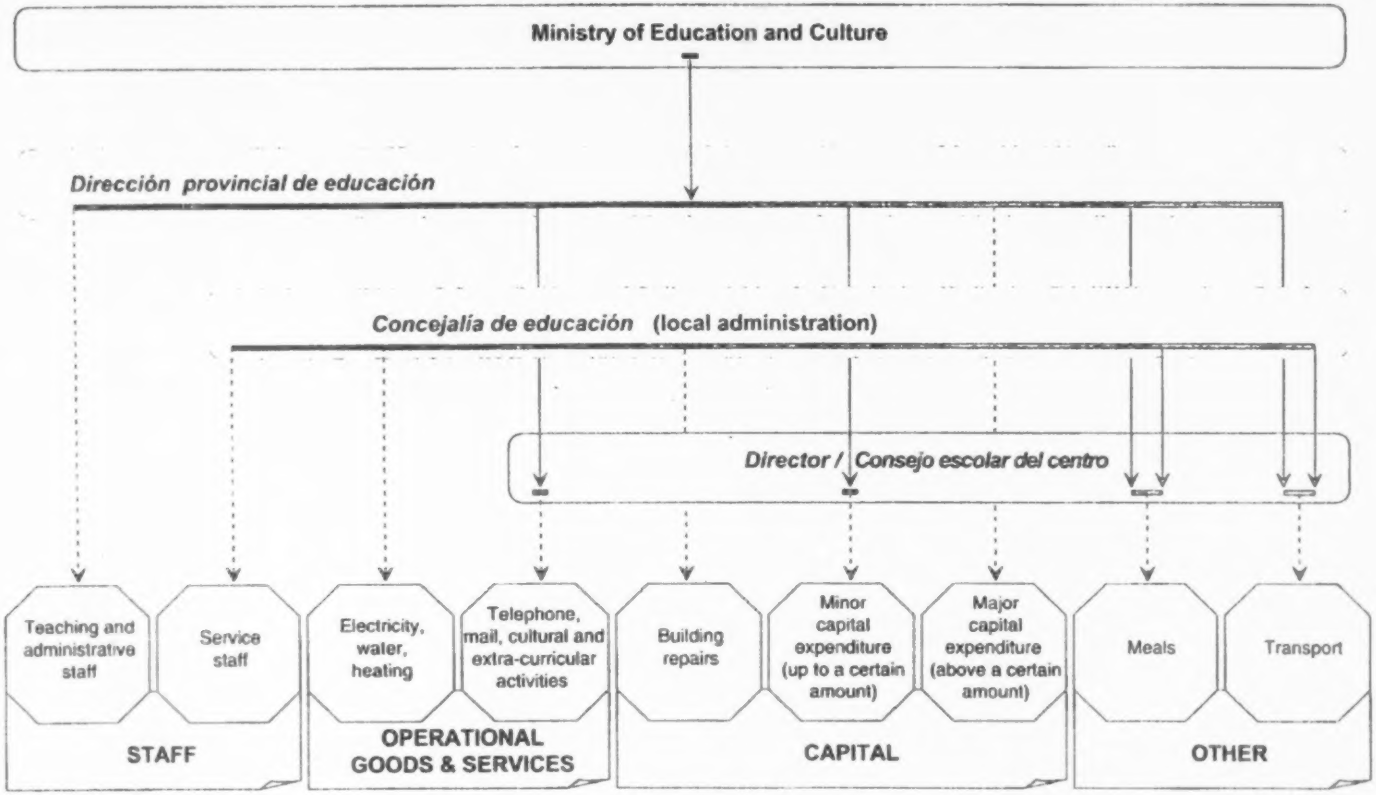
The resources of local administrative authorities come from different sources that may vary from one Autonomous Community to the next. In general, they consist of global allocations from the central authorities, the administrative authorities of the Autonomous Community concerned and local taxes.

SPAIN — Autonomous Communities which exercise their powers — Lower secondary schools 1997/98


Central government administration
Departamento / Consejeria de educación
Director / Consejo escolar del centro
Teaching and non-teaching staff
Cleaning
Electricity, heating, water, extra-curricular activities, etc.
Repair and upkeep of facilities, machinery, new equipment and furniture (under a certain amount)
Repair and upkeep of facilities, machinery, new equipment and furniture (over a certain amount)
Meals
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

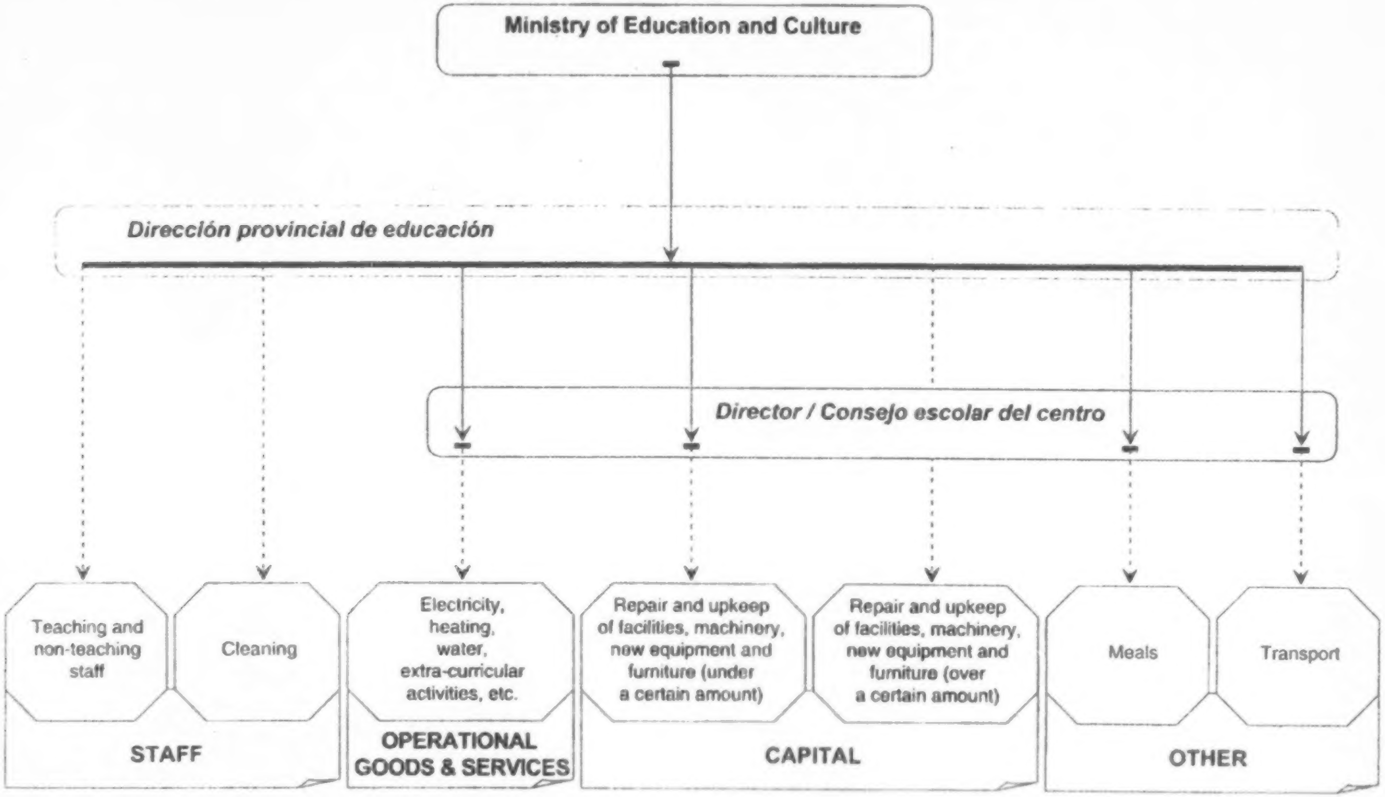
SPAIN — Autonomous Communities which do not exercise their powers — Primary schools 1997/98


Ministry of Education and Culture
Dirección provincial de educación
Concejalía de educación (local administration)
Director / Consejo escolar del centro
Teaching and administrative staff
Service staff
Electricity, water, heating
Telephone, mail, cultural and extra-curricular activities
Building repairs
Minor capital expenditure (up to a certain amount)
Major capital expenditure (above a certain amount)
Meals
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

The resources of local administrative authorities come from different sources that may vary from one Autonomous Community to the next. In general, they consist of global allocations from the central authorities, the administrative authorities of the Autonomous Community concerned and local taxes.

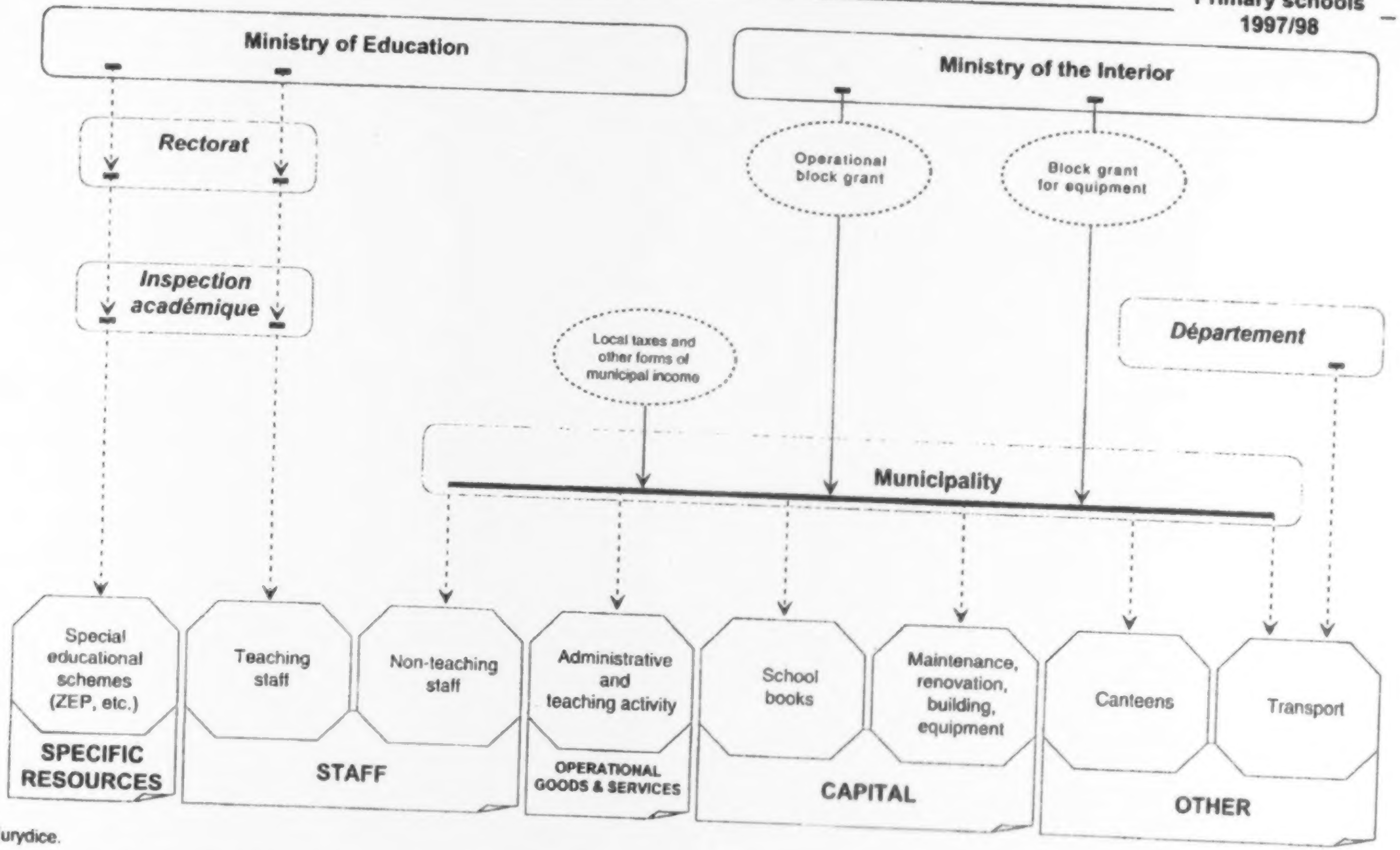
SPAIN — Autonomous Communities which do not exercise their powers — Lower secondary schools 1997/98


Ministry of Education and Culture
Dirección provincial de educación
Director / Consejo escolar del centro
Teaching and non-teaching staff
Cleaning
Electricity, heating, water, extra-curricular activities, etc.
Repair and upkeep of facilities, machinery, new equipment and furniture (under a certain amount)
Repair and upkeep of facilities, machinery, new equipment and furniture (over a certain amount)
Meals
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

– FRANCE

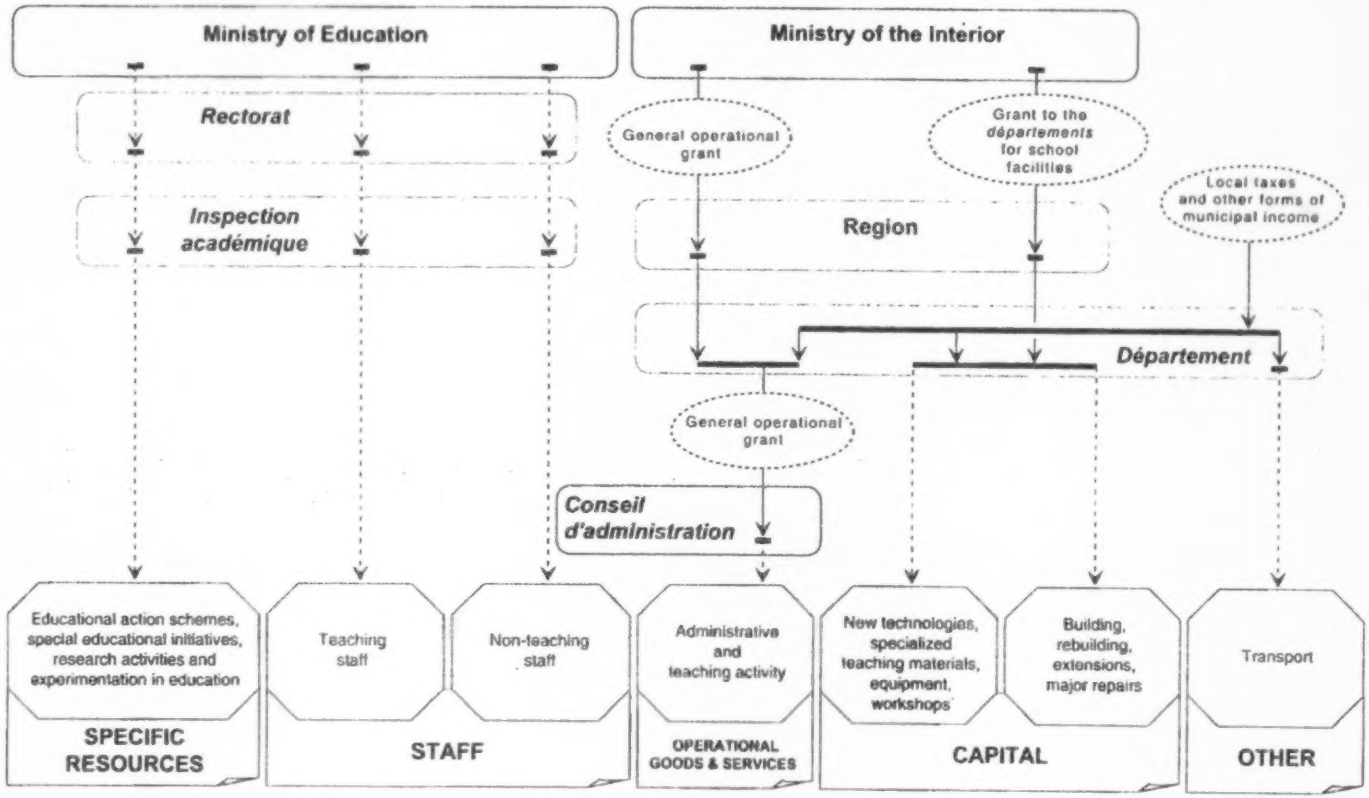
Primary schools 1997/98


Ministry of Education
Rectorat
Inspection académique
Ministry of the Interior
Operational block grant
Block grant for equipment
Département
Local taxes and other forms of municipal income
Municipality
Special educational schemes (ZEP, etc.)
Teaching staff
Non-teaching staff
Administrative and teaching activity
School books
Maintenance, renovation, building, equipment
Canteens
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

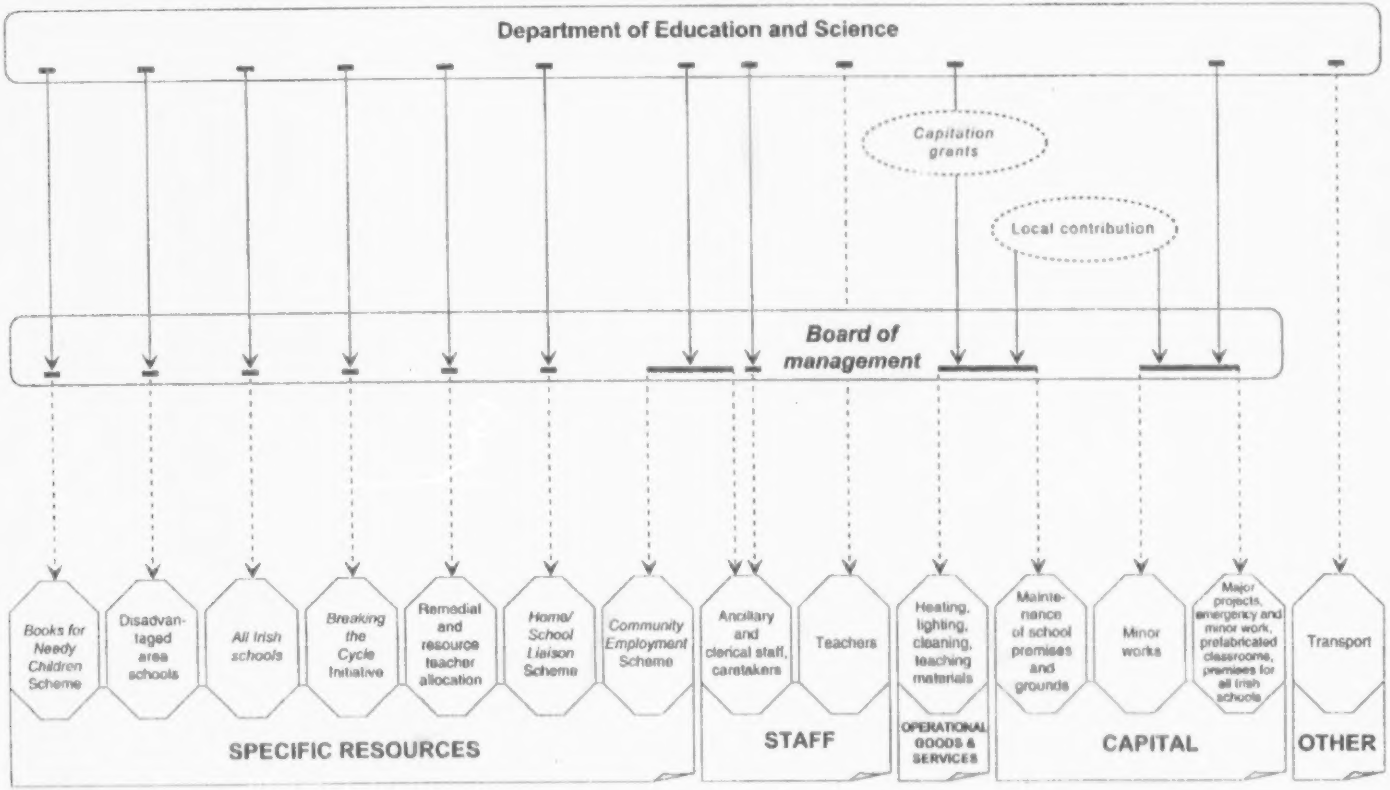
ZEP = *Zones d'éducation prioritaires* (priority education areas).

FRANCE — *Collèges* — **Lower secondary schools 1997/98**


Ministry of Education
Ministry of the Interior
Rectorat
Inspection académique
General operational grant
Grant to the départements for school facilities
Local taxes and other forms of municipal income
Region
Département
General operational grant
Conseil d'administration
Educational action schemes, special educational initiatives, research activities and experimentation in education
SPECIFIC RESOURCES
Teaching staff
Non-teaching staff
STAFF
Administrative and teaching activity
OPERATIONAL GOODS & SERVICES
New technologies, specialized teaching materials, equipment, workshops
Building, rebuilding, extensions, major repairs
CAPITAL
Transport
OTHER

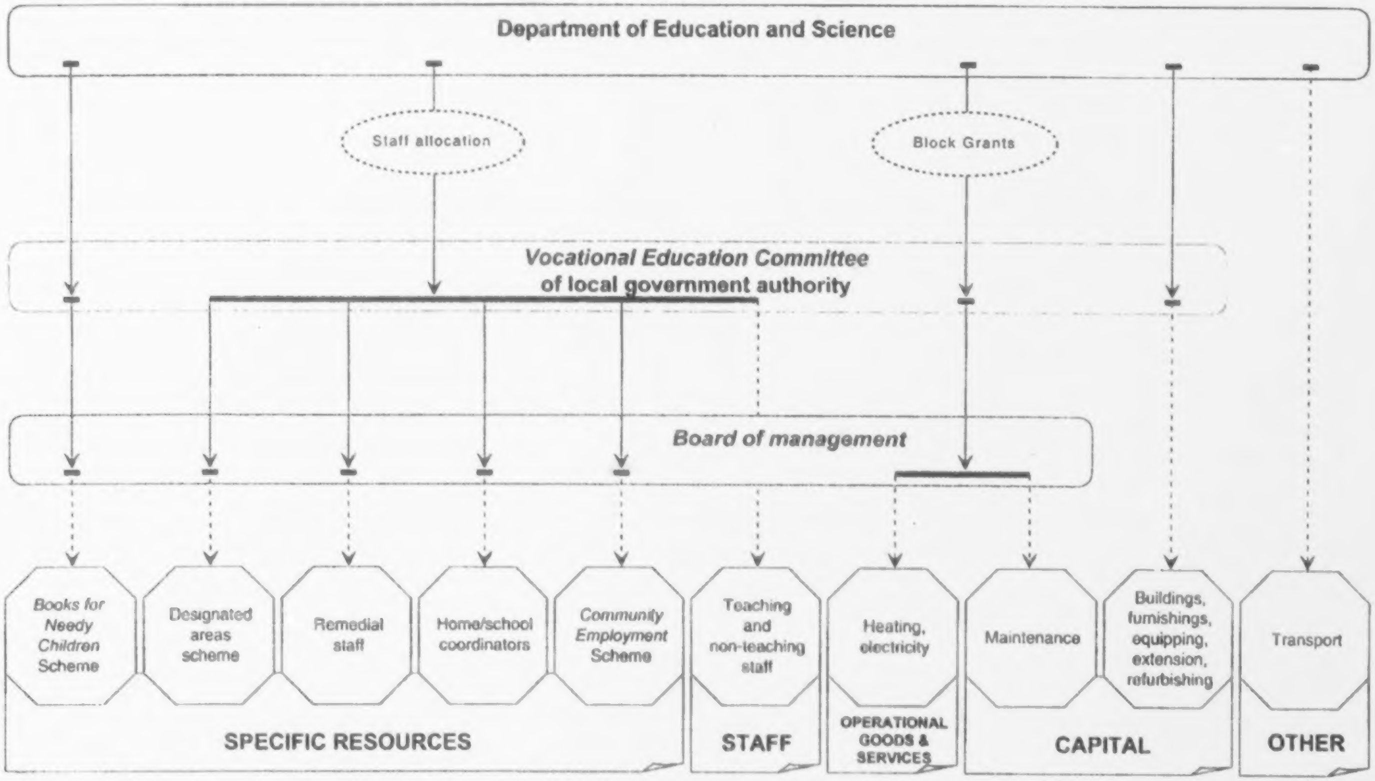
Source: Eurydice.

BEST COPY AVAILABLE


Department of Education and Science
Capitation grants
Local contribution
Board of management
Books for Needy Children Scheme
Disadvantaged area schools
All Irish schools
Breaking the Cycle Initiative
Remedial and resource teacher allocation
Home/ School Liaison Scheme
Community Employment Scheme
Ancillary and clerical staff, caretakers
Teachers
Heating, lighting, cleaning, teaching materials
Maintenance of school premises and grounds
Minor works
Major projects, emergency and minor work, prefabricated classrooms, premises for all Irish schools
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

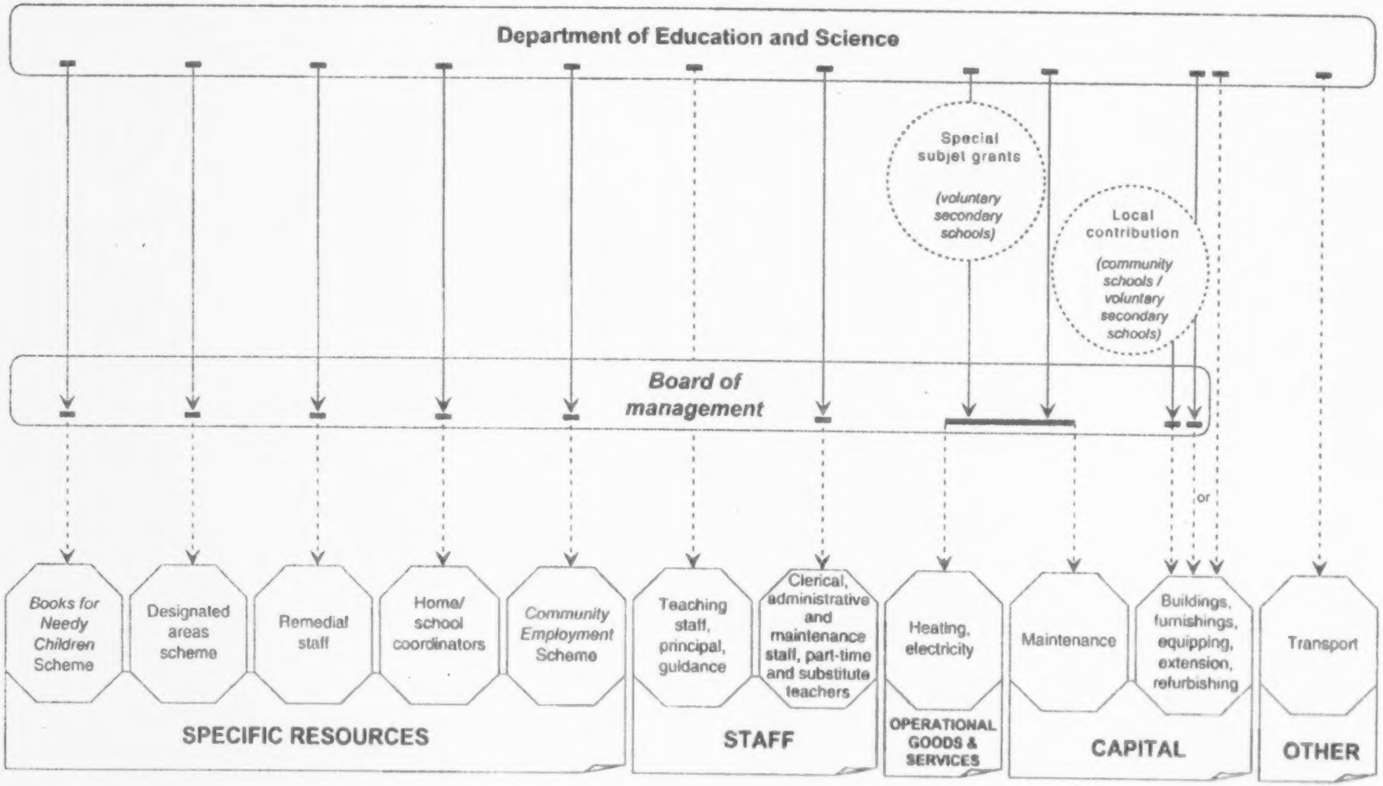
Source: Eurydice.

IRELAND — *Vocational schools* and *community colleges* — Lower secondary schools 1997/98


Department of Education and Science
Staff allocation
Block Grants
Vocational Education Committee of local government authority
Board of management
Books for Needy Children Scheme
Designated areas scheme
Remedial staff
Home/school coordinators
Community Employment Scheme
Teaching and non-teaching staff
Heating, electricity
Maintenance
Buildings, furnishings, equipping, extension, refurbishing
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

– IRELAND — *Voluntary secondary schools* (non-fee paying schools), and *community* and *comprehensive schools* — Lower secondary schools 1997/98 –

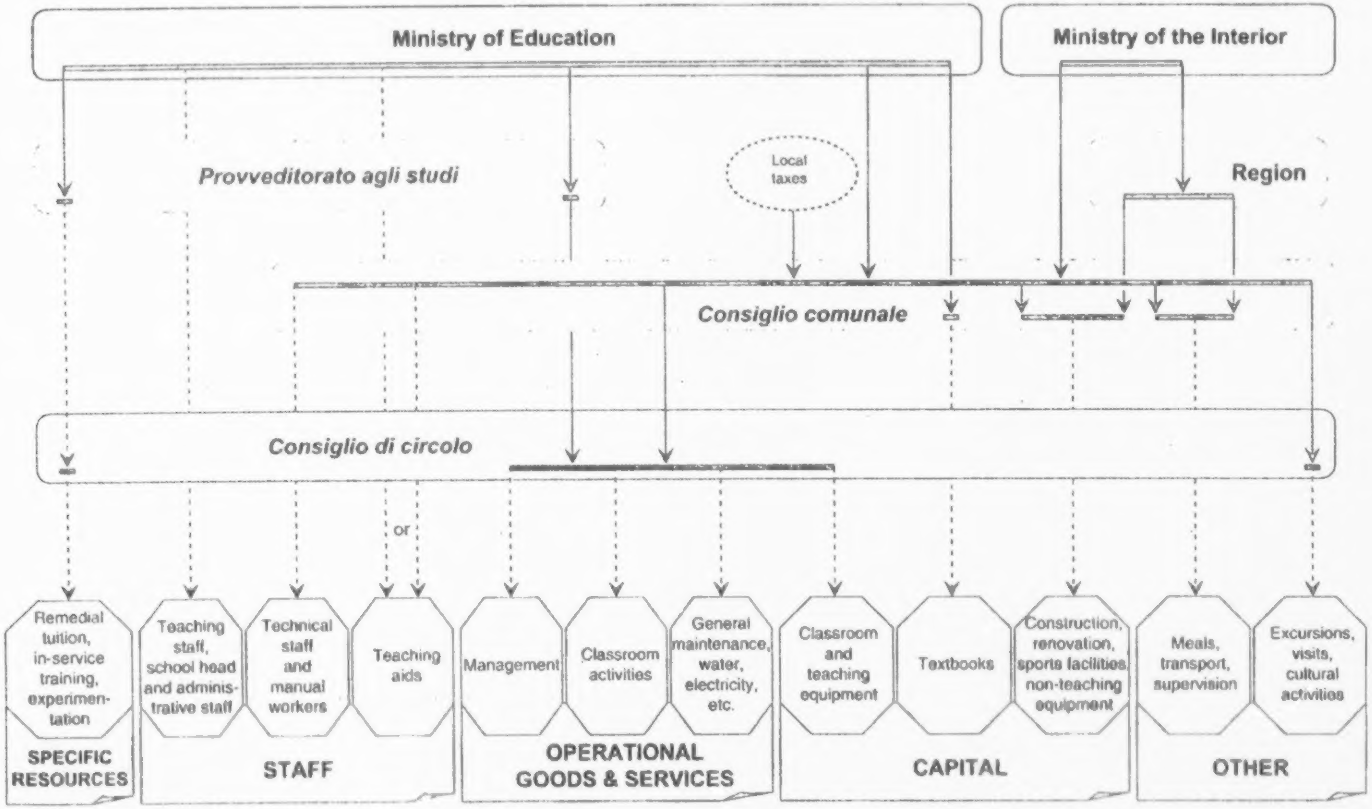

Department of Education and Science
Special subjet grants
(voluntary secondary schools)
Local contribution
(community schools / voluntary secondary schools)
Board of management
or
Books for Needy Children Scheme
Designated areas scheme
Remedial staff
Home/ school coordinators
Community Employment Scheme
Teaching staff, principal, guidance
Clerical, administrative and maintenance staff, part-time and substitute teachers
Heating, electricity
Maintenance
Buildings, furnishings, equipping, extension, refurbishing
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

The *voluntary secondary schools* and the *community schools* receive their capital allocations in cash, whereas the *comprehensive schools* obtain theirs in kind. The *voluntary secondary schools* get subsidies for some subjects requiring special equipment (technological and artistic courses, etc.). *Voluntary secondary schools* which charge fees get no allocations for non-teaching staff.

ITALY

Primary schools 1997/98

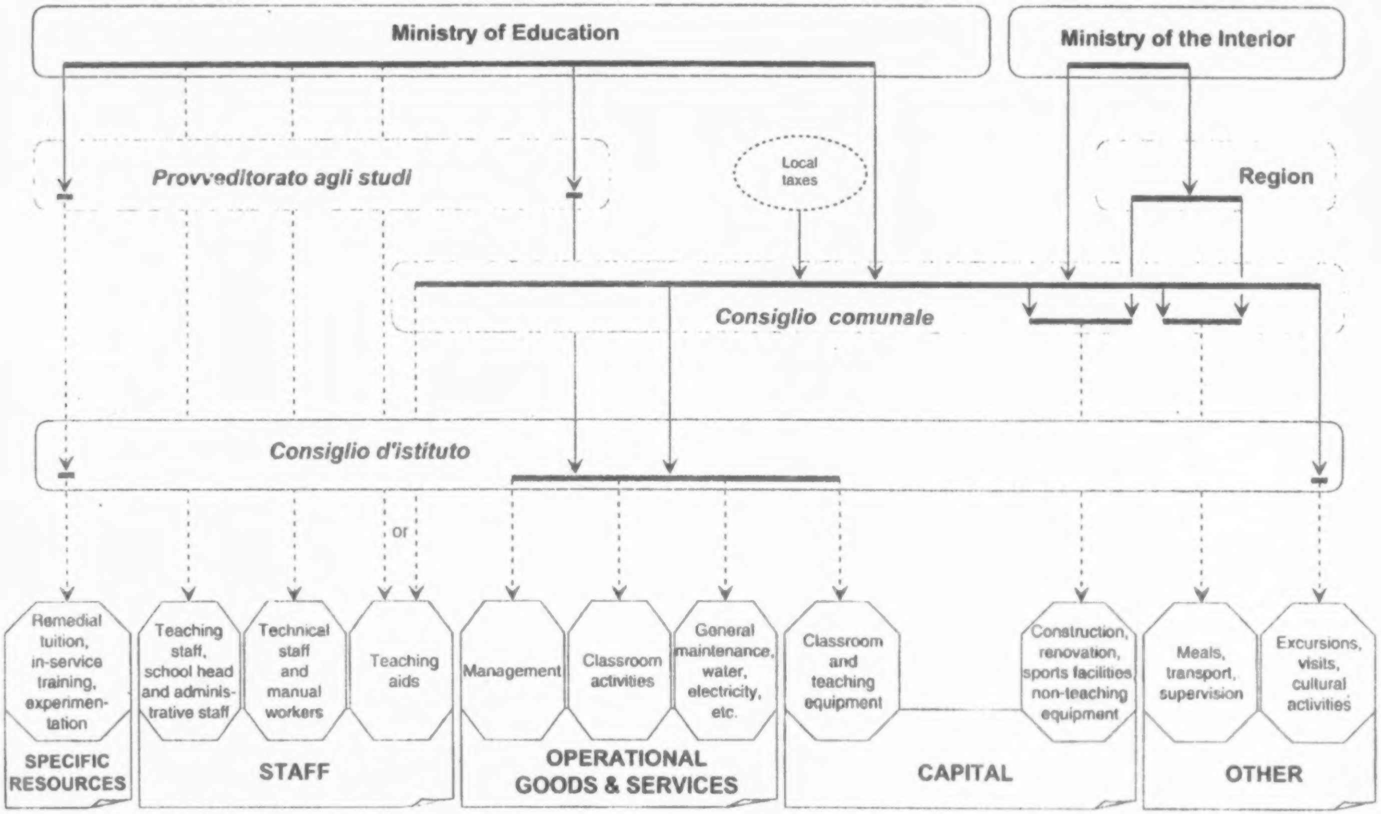

Ministry of Education
Ministry of the Interior
Provveditorato agli studi
Local taxes
Region
Consiglio comunale
Consiglio di circolo
or
Remedial tuition, in-service training, experimentation
Teaching staff, school head and administrative staff
Technical staff and manual workers
Teaching aids
Management
Classroom activities
General maintenance, water, electricity, etc.
Classroom and teaching equipment
Textbooks
Construction, renovation, sports facilities non-teaching equipment
Meals, transport, supervision
Excursions, visits, cultural activities
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

As regards capital resources, regions may be involved in transfers of funding for sports facilities.

– ITALY

Lower secondary schools 1997/98


Ministry of Education
Ministry of the Interior
Provveditorato agli studi
Local taxes
Region
Consiglio comunale
Consiglio d'istituto
or
Remedial tuition, in-service training, experimentation
Teaching staff, school head and administrative staff
Technical staff and manual workers
Teaching aids
Management
Classroom activities
General maintenance, water, electricity, etc.
Classroom and teaching equipment
Construction, renovation, sports facilities non-teaching equipment
Meals, transport, supervision
Excursions, visits, cultural activities
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

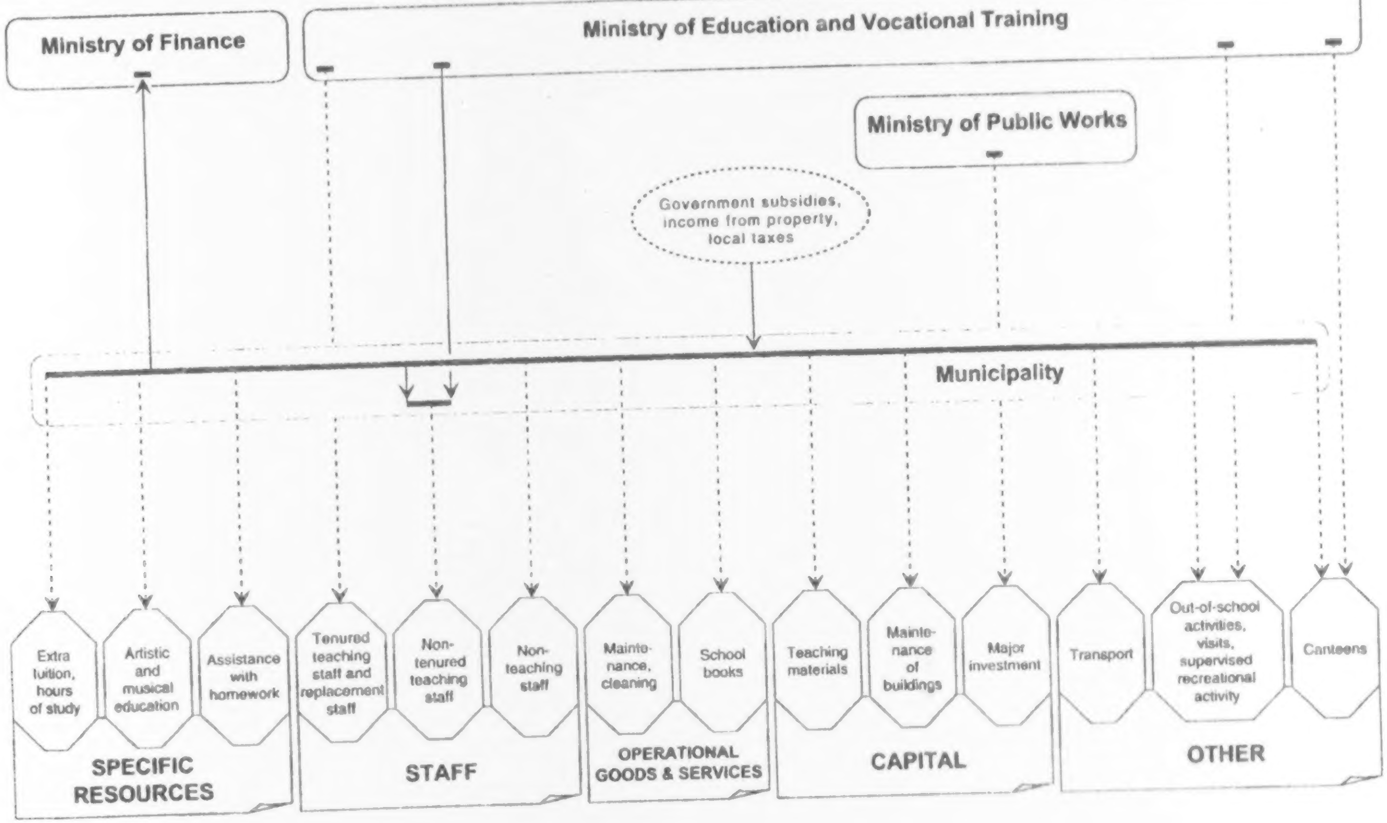
As regards capital resources, regions may be involved in transfers of funding for sports facilities.

90

91

LUXEMBOURG

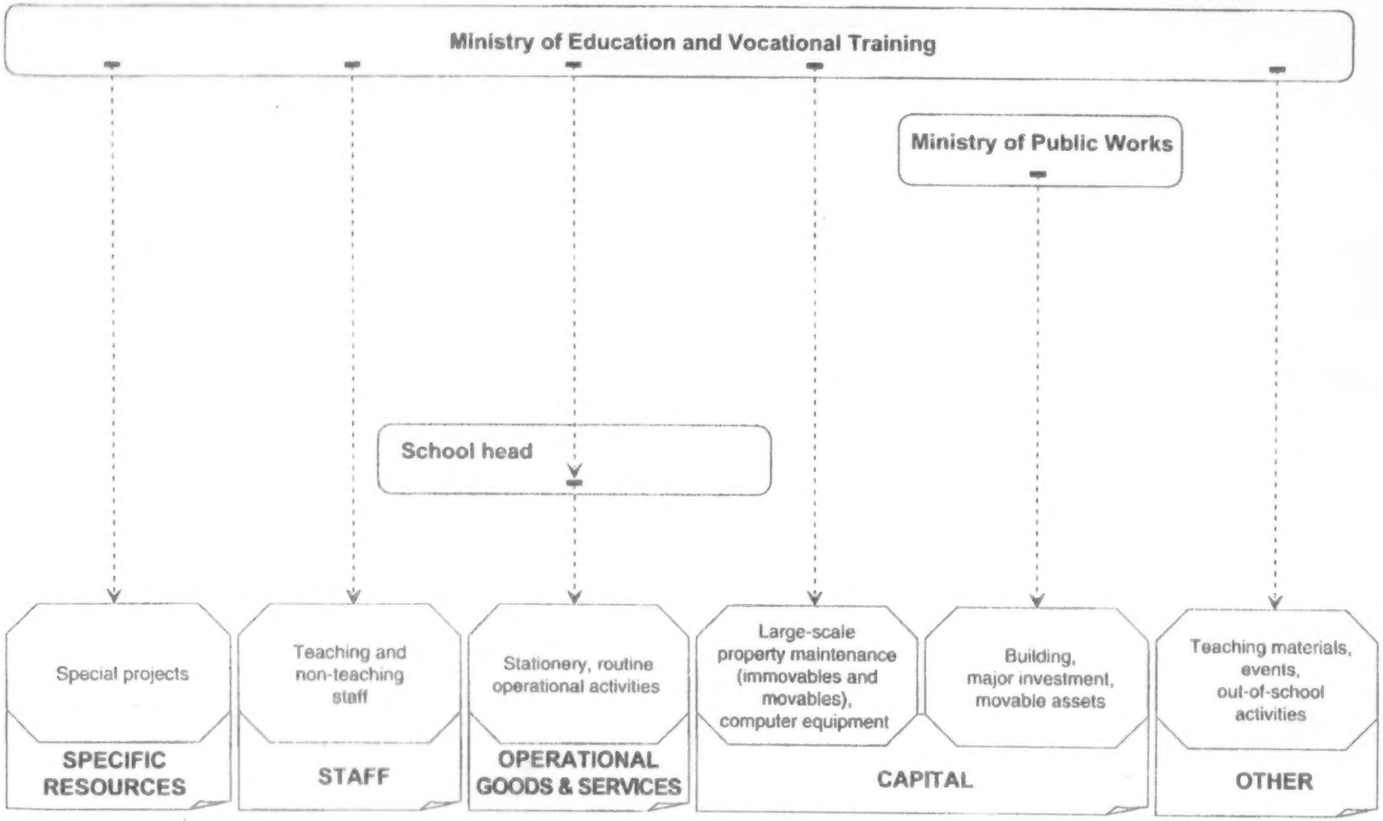
Primary schools
1997/98


Ministry of Finance
Ministry of Education and Vocational Training
Ministry of Public Works
Government subsidies, income from property, local taxes
Municipality
Extra tuition, hours of study
Artistic and musical education
Assistance with homework
Tenured teaching staff and replacement staff
Non-tenured teaching staff
Non-teaching staff
Mainte-nance, cleaning
School books
Teaching materials
Mainte-nance of buildings
Major investment
Transport
Out-of-school activities, visits, supervised recreational activity
Canteens
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

The municipalities reimburse the Ministry of Finance one third of the amount of teaching staff salaries paid for by the government.

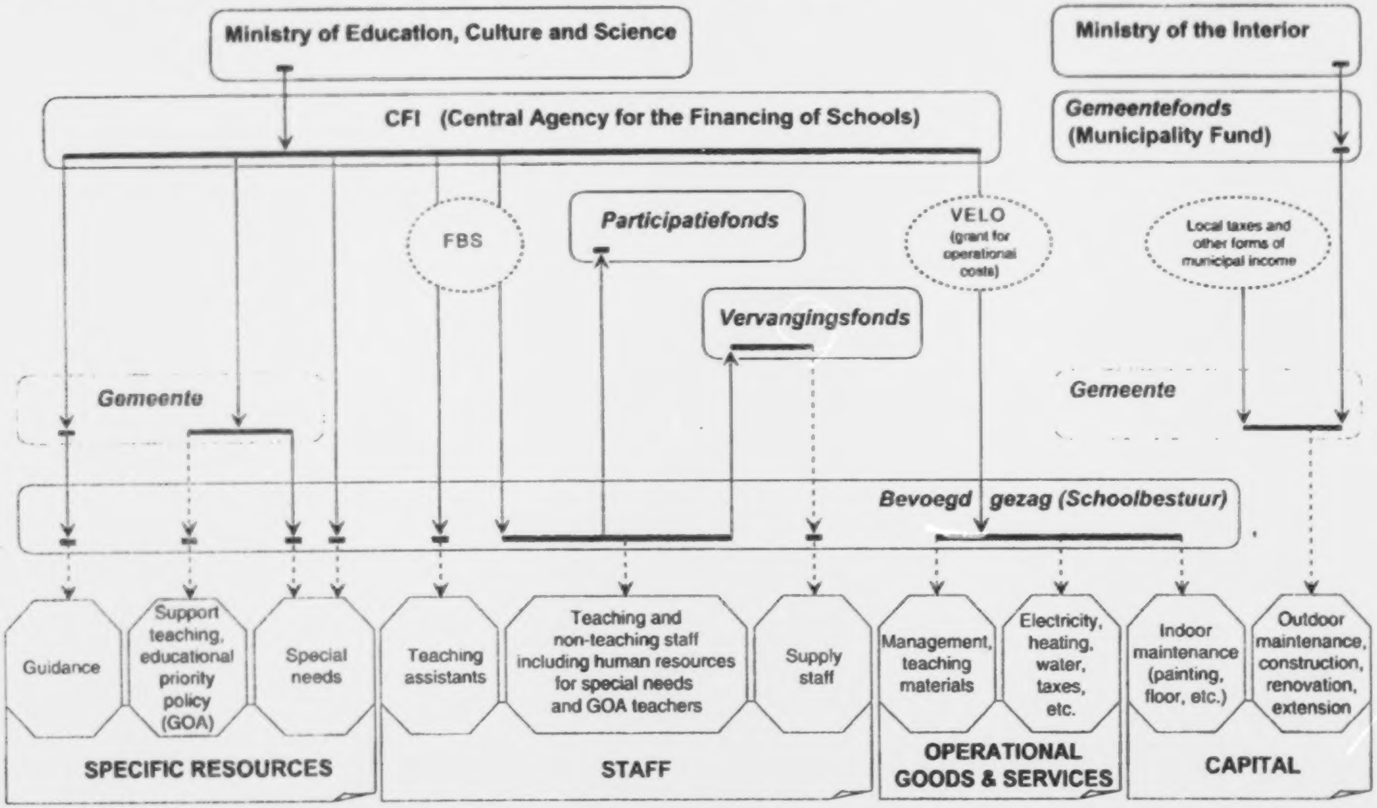
– LUXEMBOURG — **Lower secondary schools 1997/98**


Ministry of Education and Vocational Training
Ministry of Public Works
School head
Special projects
SPECIFIC RESOURCES
Teaching and non-teaching staff
STAFF
Stationery, routine operational activities
OPERATIONAL GOODS & SERVICES
Large-scale property maintenance (immovables and movables), computer equipment
Building, major investment, movable assets
CAPITAL
Teaching materials, events, out-of-school activities
OTHER

Source: Eurydice.

THE NETHERLANDS

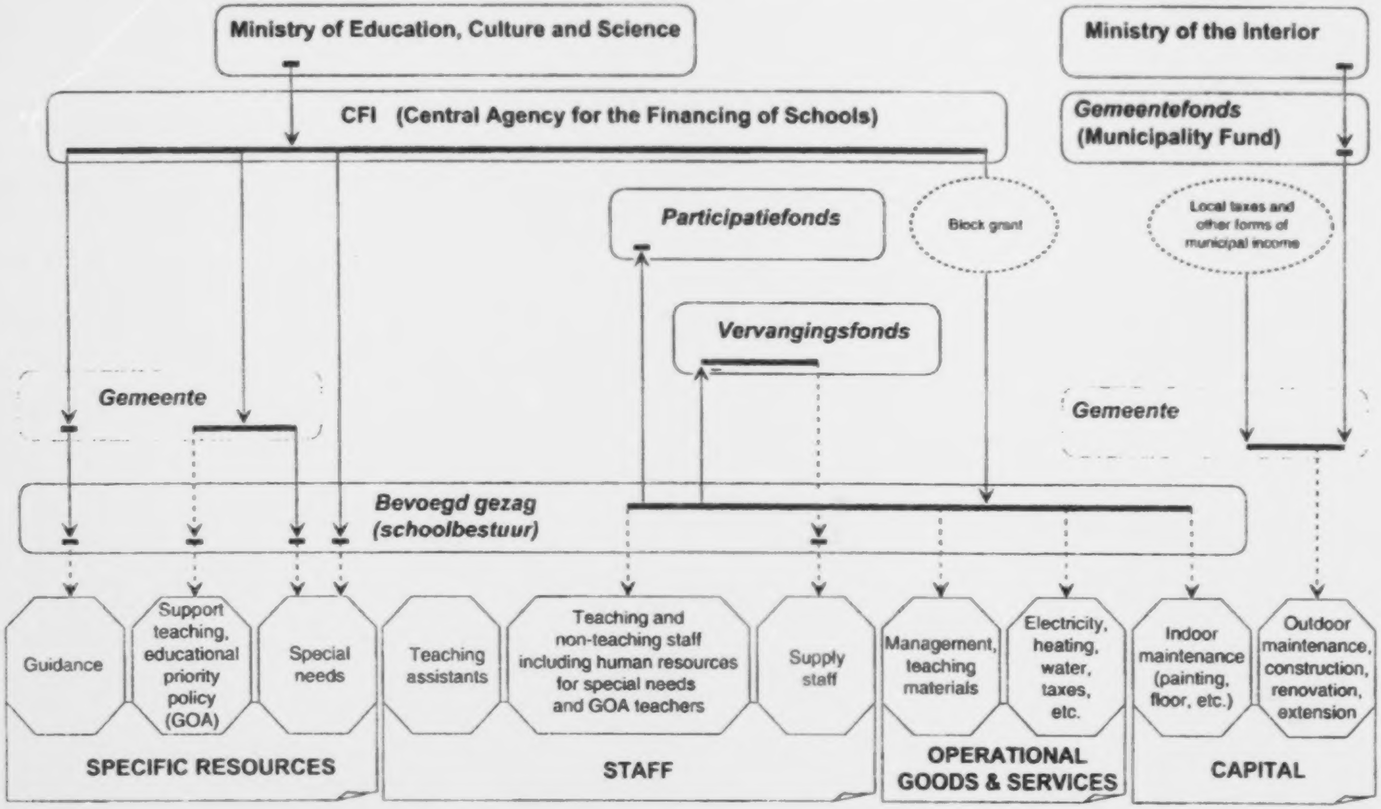
Primary schools 1997/98


Ministry of Education, Culture and Science
Ministry of the Interior
CFI (Central Agency for the Financing of Schools)
Gemeentefonds (Municipality Fund)
FBS
Participatiefonds
VELO (grant for operational costs)
Local taxes and other forms of municipal income
Vervangingsfonds
Gemeente
Gemeente
Bevoegd gezag (Schoolbestuur)
Guidance
Support teaching, educational priority policy (GOA)
Special needs
Teaching assistants
Teaching and non-teaching staff including human resources for special needs and GOA teachers
Supply staff
Management, teaching materials
Electricity, heating, water, taxes, etc.
Indoor maintenance (painting, floor, etc.)
Outdoor maintenance, construction, renovation, extension
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL

Source: Eurydice.

GOA = *Gemeentelijk Onderwijsachterstandenbeleid* (municipal policy for fighting underachievement at school); FBS = *Formatiebudgetsysteem* (system for the award of staff resources); VELO = *Vereenvoudigd Londo* (system for the award of operational resources).

Lower secondary schools 1997/98

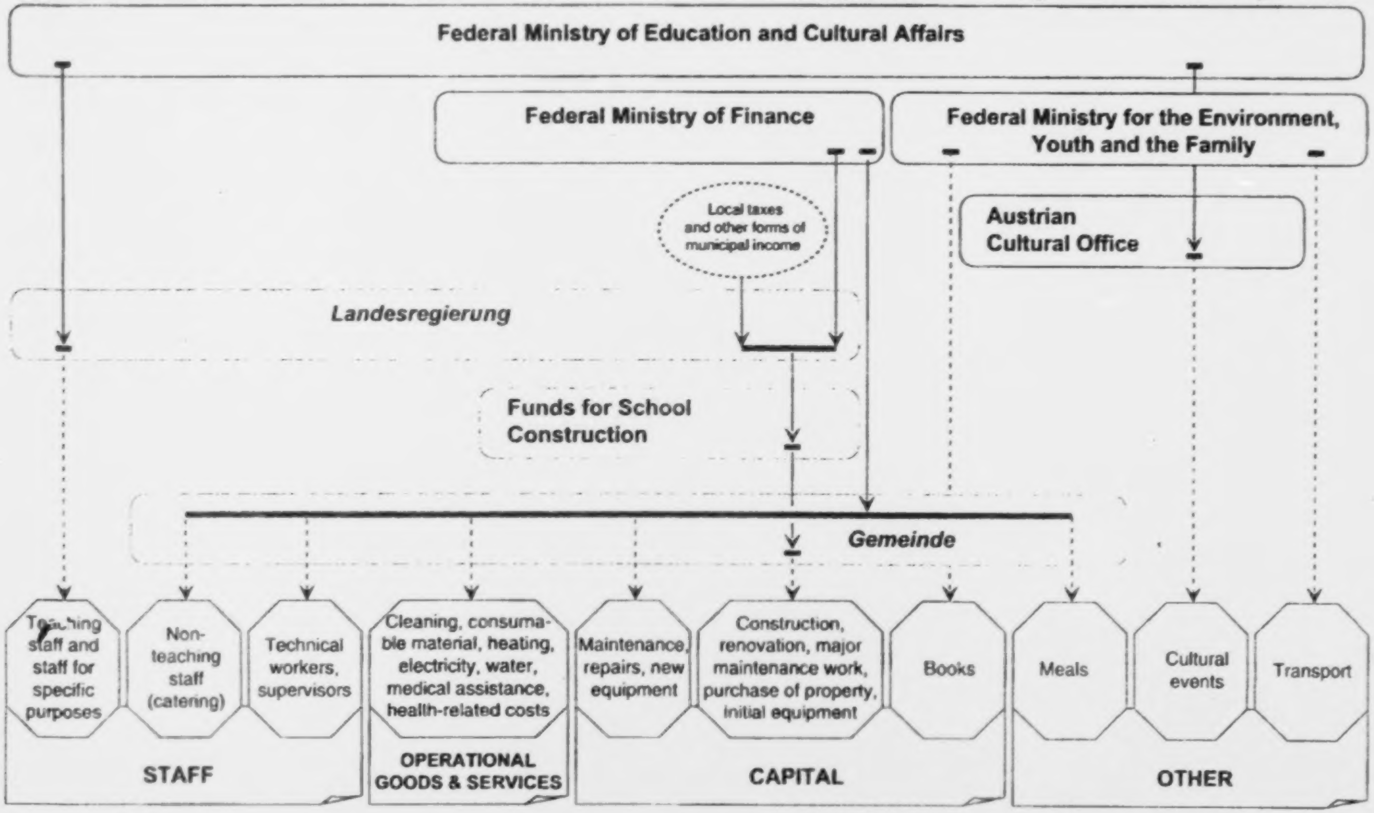

Ministry of Education, Culture and Science
Ministry of the Interior
CFI (Central Agency for the Financing of Schools)
Gemeentefonds (Municipality Fund)
Participatiefonds
Block grant
Local taxes and other forms of municipal income
Vervangingsfonds
Gemeente
Gemeente
Bevoegd gezag (schoolbestuur)
Guidance
Support teaching, educational priority policy (GOA)
Special needs
Teaching assistants
Teaching and non-teaching staff including human resources for special needs and GOA teachers
Supply staff
Management, teaching materials
Electricity, heating, water, taxes, etc.
Indoor maintenance (painting, floor, etc.)
Outdoor maintenance, construction, renovation, extension
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL

Source: Eurydice.

GOA = *Gemeentelijk Onderwijsachterstandenbeleid* (municipal policy for fighting underachievement at school).

– AUSTRIA

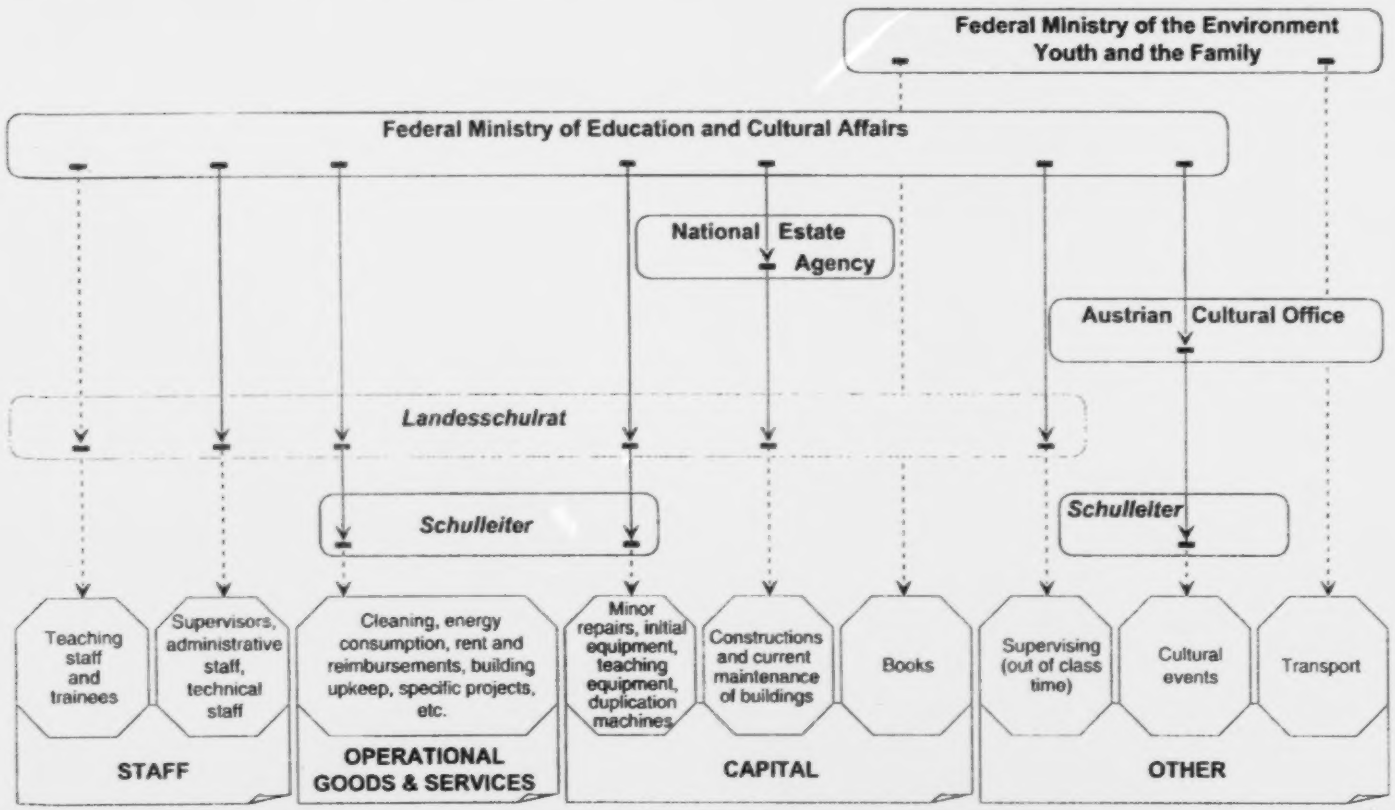
Primary and lower secondary schools (*Hauptschulen* and *Polytechnische Schulen*), 1997/98


Federal Ministry of Education and Cultural Affairs
Federal Ministry of Finance
Federal Ministry for the Environment, Youth and the Family
Local taxes and other forms of municipal income
Austrian Cultural Office
Landesregierung
Funds for School Construction
Gemeinde
Teaching staff and staff for specific purposes
Non-teaching staff (catering)
Technical workers, supervisors
Cleaning, consumable material, heating, electricity, water, medical assistance, health-related costs
Maintenance, repairs, new equipment
Construction, renovation, major maintenance work, purchase of property, initial equipment
Books
Meals
Cultural events
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

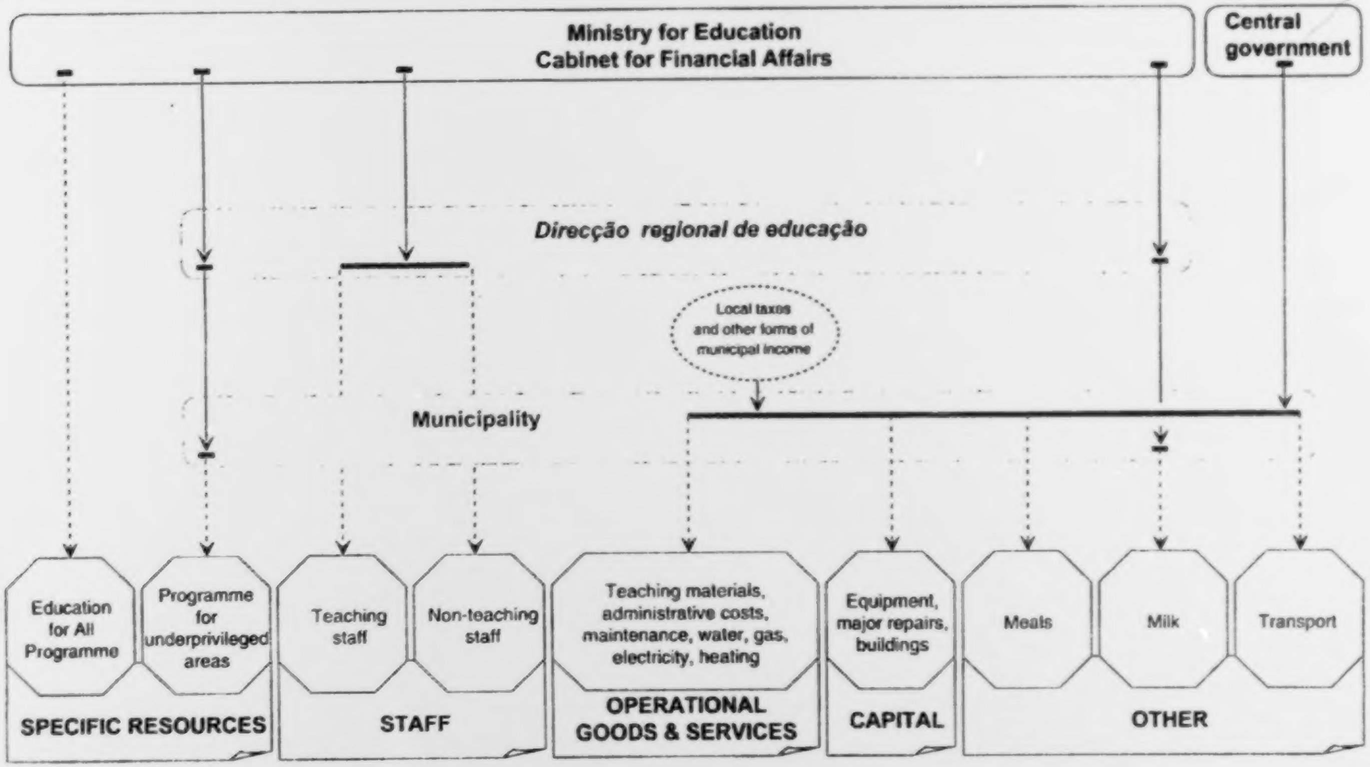
Since March 2000, some ministries have been renamed. They include the Federal Ministry of Education, Science and Culture and the Federal Ministry of Social Security and Generations.

Lower secondary schools
(Allgemeinbildende höhere Schulen), 1997/98


Federal Ministry of the Environment Youth and the Family
Federal Ministry of Education and Cultural Affairs
National Estate Agency
Austrian Cultural Office
Landesschulrat
Schulleiter
Schulleiter
Teaching staff and trainees
Supervisors, administrative staff, technical staff
Cleaning, energy consumption, rent and reimbursements, building upkeep, specific projects, etc.
Minor repairs, initial equipment, teaching equipment, duplication machines
Constructions and current maintenance of buildings
Books
Supervising (out of class time)
Cultural events
Transport
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

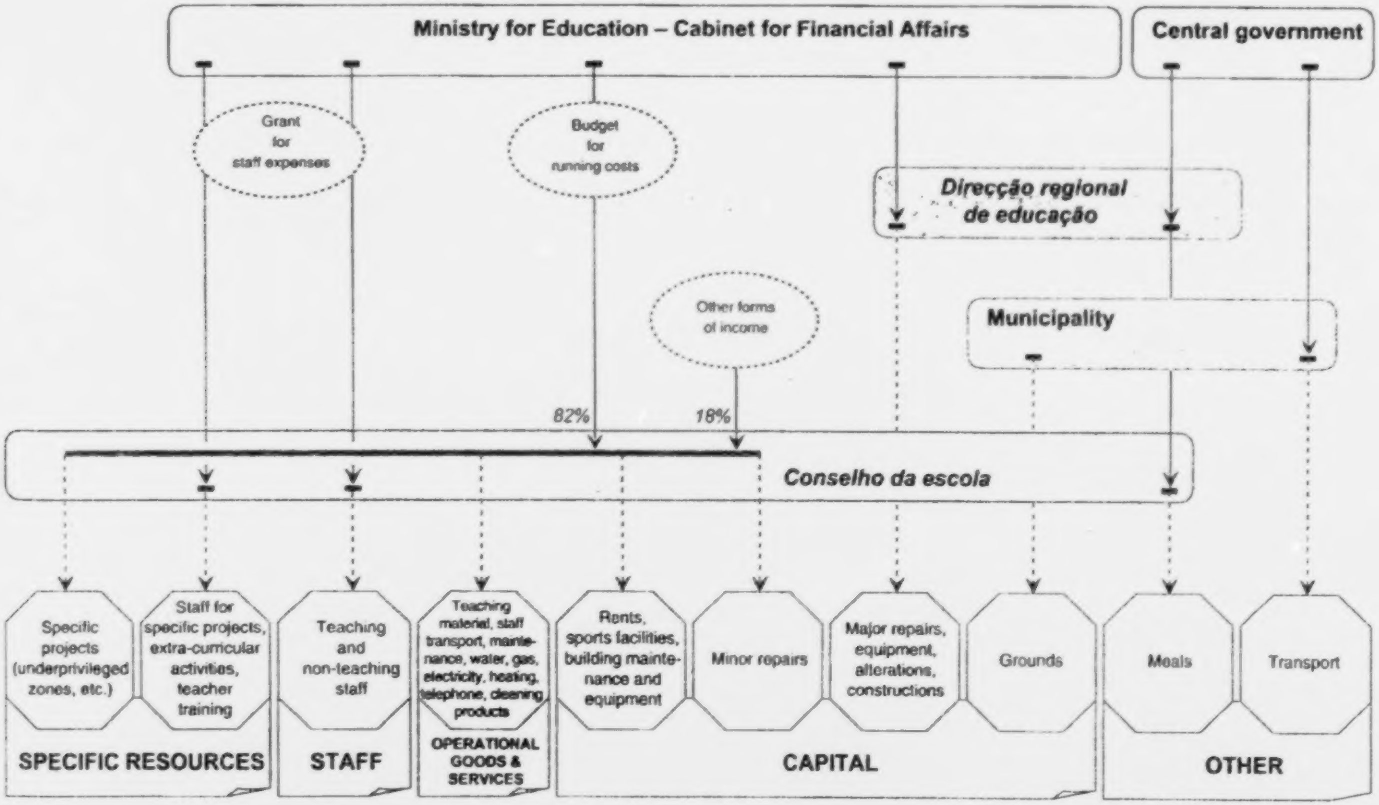
Source: Eurydice.

Since March 2000, some ministries have been renamed. They include the Federal Ministry of Education, Science and Culture and the Federal Ministry of Social Security and Generations.


Ministry for Education
Cabinet for Financial Affairs
Central government
Direcção regional de educação
Local taxes and other forms of municipal income
Municipality
Education for All Programme
Programme for underprivileged areas
Teaching staff
Non-teaching staff
Teaching materials, administrative costs, maintenance, water, gas, electricity, heating
Equipment, major repairs, buildings
Meals
Milk
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

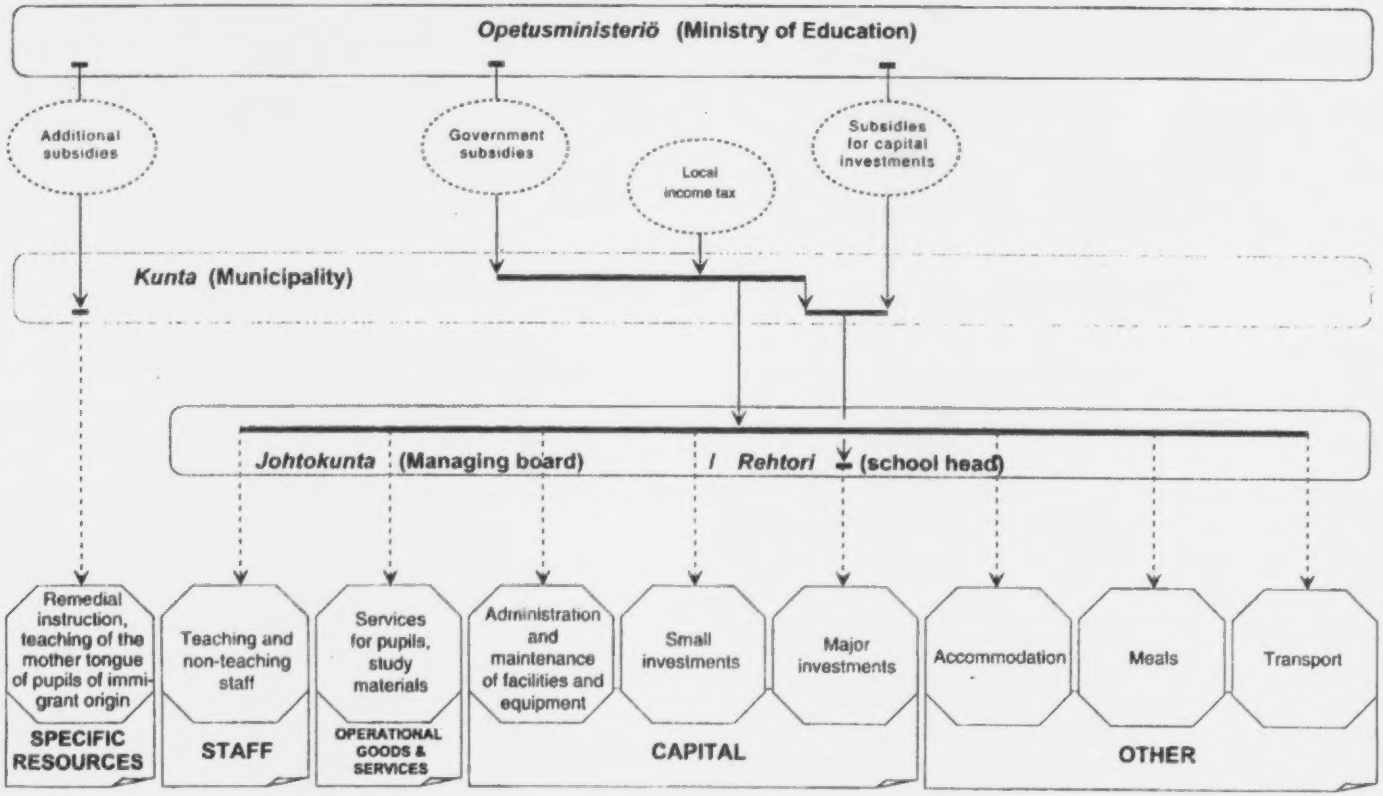
Source: Eurydice.

All pupils in the first stage of *ensino básico* receive two decilitres of milk funded by the Ministry of Education and a Community subsidy from the European Agricultural Guidance and Guarantee Fund.


Ministry for Education – Cabinet for Financial Affairs
Central government
Grant for staff expenses
Budget for running costs
Direcção regional de educação
Other forms of income
Municipality
82%
18%
Conselho da escola
Specific projects (underprivileged zones, etc.)
Staff for specific projects, extra-curricular activities, teacher training
Teaching and non-teaching staff
Teaching material, staff transport, maintenance, water, gas, electricity, heating, telephone, cleaning products
Rents, sports facilities, building maintenance and equipment
Minor repairs
Major repairs, equipment, alterations, constructions
Grounds
Meals
Transport
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

FINLAND — Maximum degree of delegation — Primary and lower secondary schools 1997/98

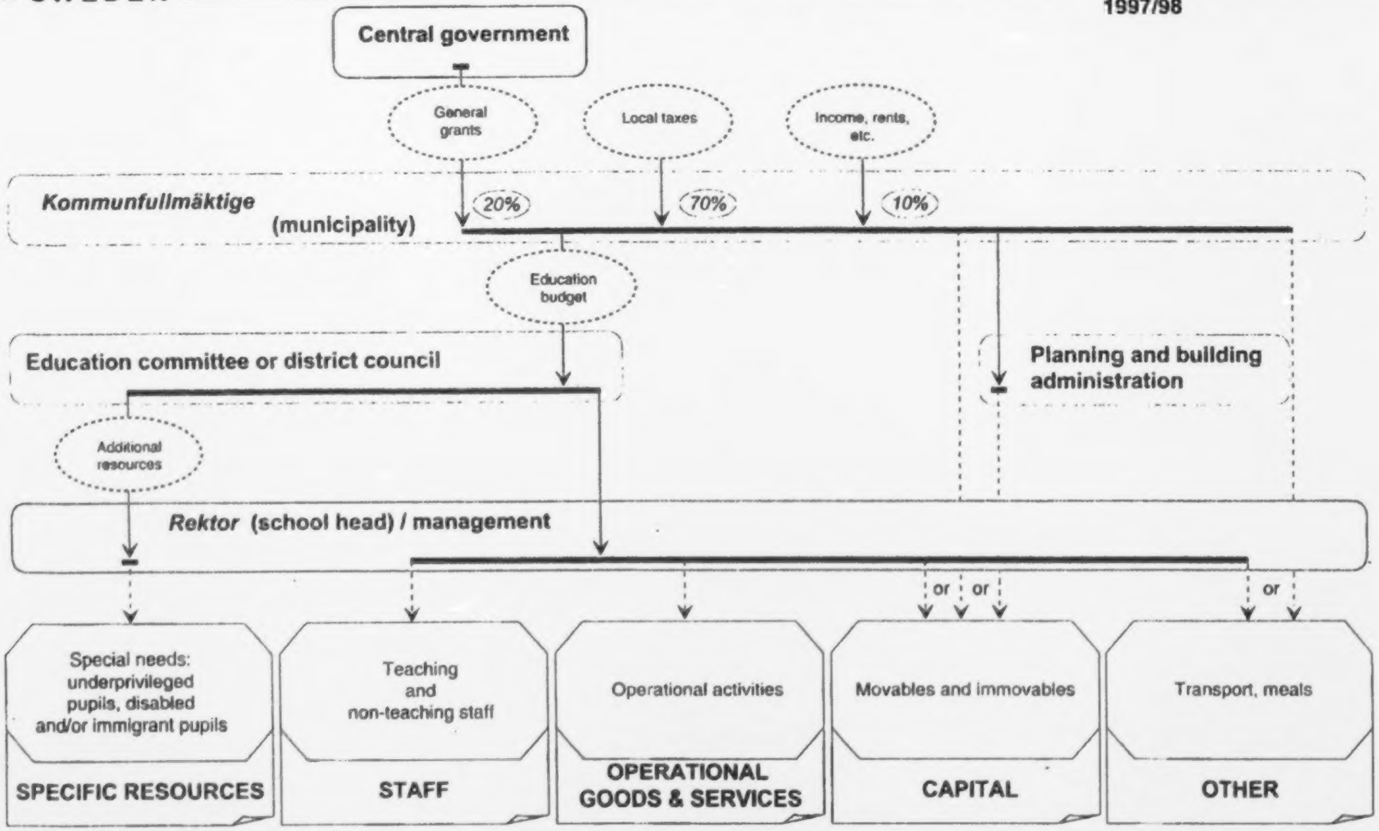

Opetusministeriö (Ministry of Education)
Additional subsidies
Government subsidies
Local income tax
Subsidies for capital investments
Kunta (Municipality)
Johtokunta (Managing board) / Rehtori (school head)
Remedial instruction, teaching of the mother tongue of pupils of immigrant origin
SPECIFIC RESOURCES
Teaching and non-teaching staff
STAFF
Services for pupils, study materials
OPERATIONAL GOODS & SERVICES
Administration and maintenance of facilities and equipment
Small investments
Major investments
CAPITAL
Accommodation
Meals
Transport
OTHER

Source: Eurydice.

The extent to which responsibility for their budgets is delegated to schools varies from one municipality to the next. The diagram illustrates a situation in which there has been the fullest possible delegation. Budgets relating to school building (fixed assets/immovables), school transport and accommodation are very frequently the responsibility of the municipalities.

– SWEDEN

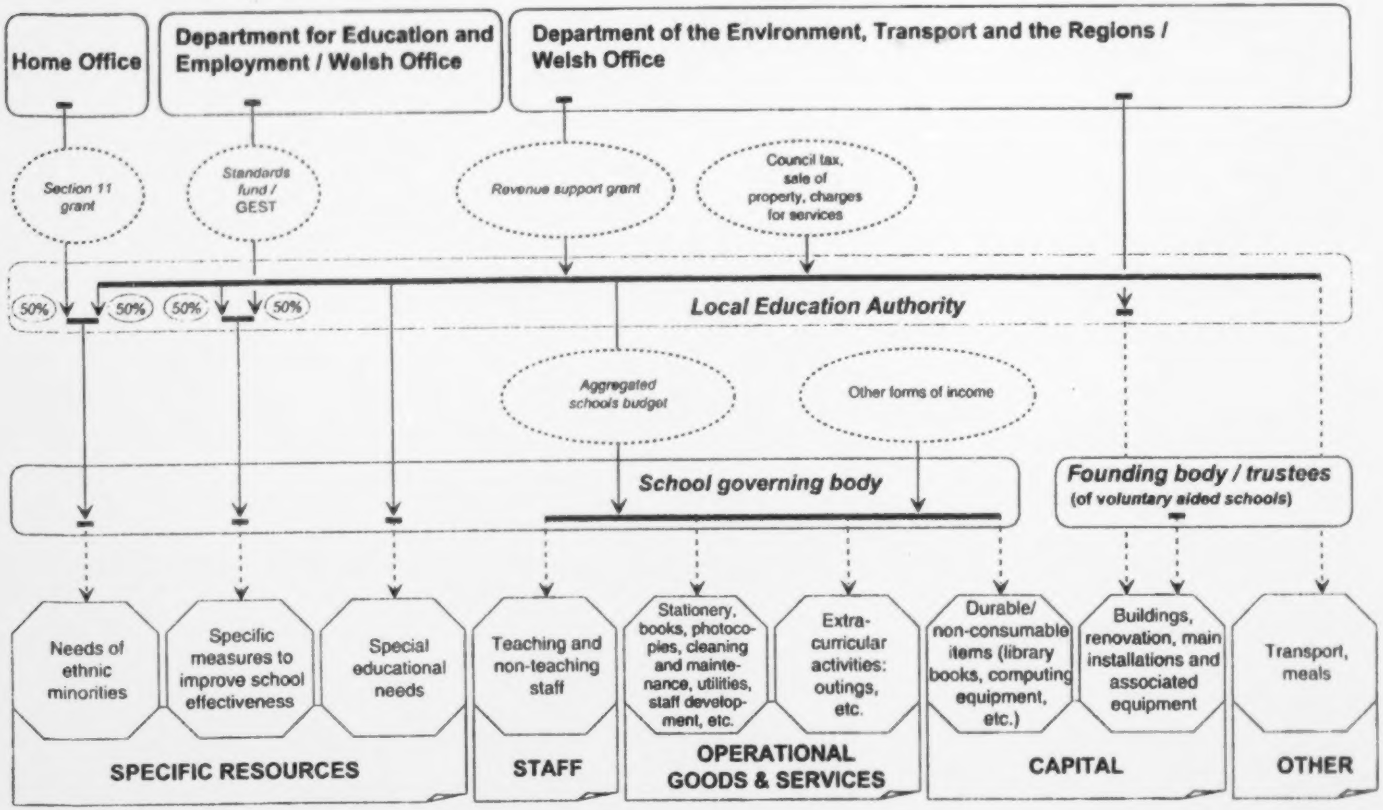
Primary and lower secondary schools
1997/98


Central government
General grants
Local taxes
Income, rents, etc.
Kommunfullmäktige (municipality)
20%
70%
10%
Education budget
Education committee or district council
Planning and building administration
Additional resources
Rektor (school head) / management
or
or
or
Special needs: underprivileged pupils, disabled and/or immigrant pupils
SPECIFIC RESOURCES
Teaching and non-teaching staff
STAFF
Operational activities
OPERATIONAL GOODS & SERVICES
Movables and immovables
CAPITAL
Transport, meals
OTHER

Source: Eurydice.

The extent to which responsibility for their budgets is delegated to schools varies from one municipality to the next. In general, delegation occurs in the case of staff and operational resources, whereas the pattern of transfer in the case of capital resources is more varied. In certain instances, budgets are delegated to schools whereas, in others, they are administered by the municipality, either by the municipal council, or its planning and building works department.

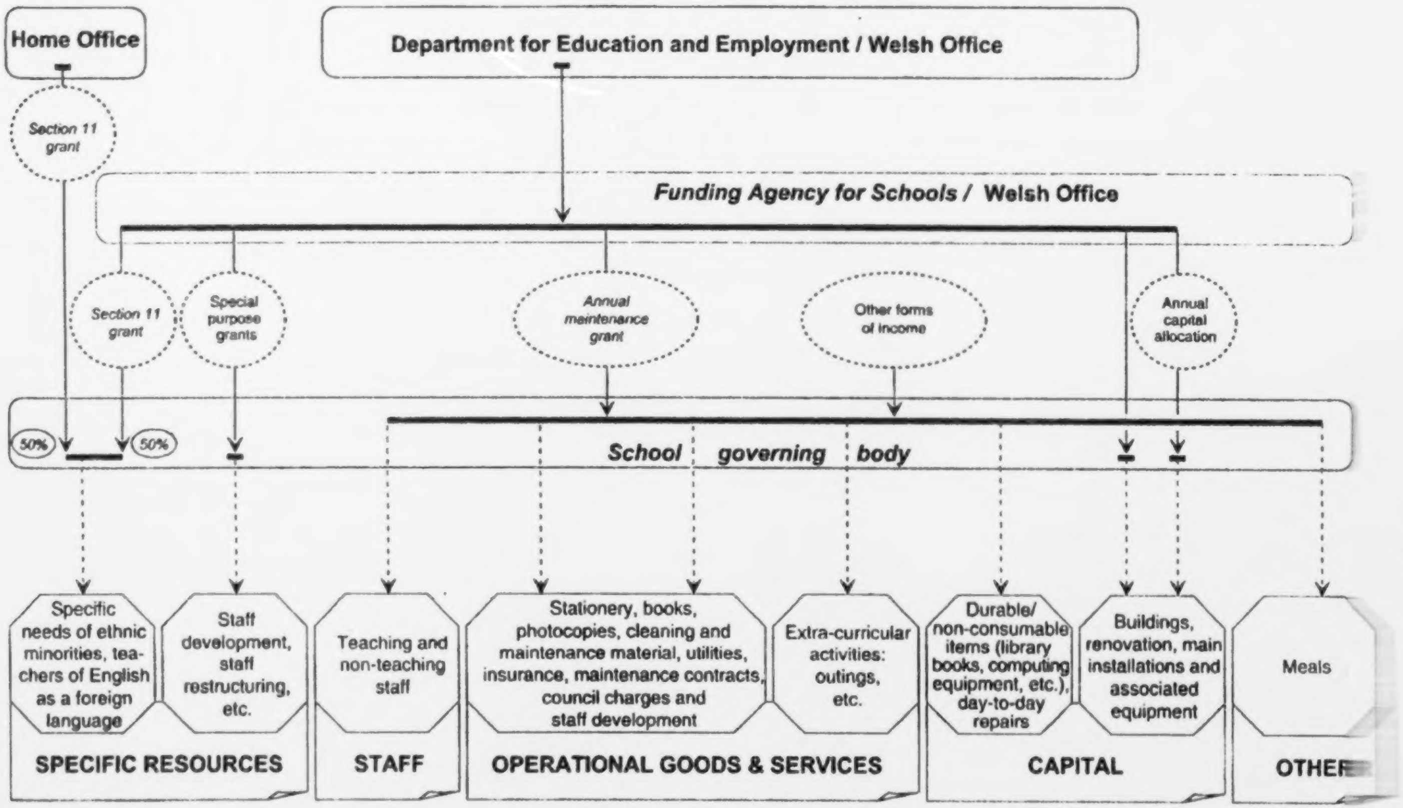
UNITED KINGDOM (England and Wales) — LEA-*maintained schools* — Primary and secondary schools 1997/98


Home Office
Department for Education and Employment / Welsh Office
Department of the Environment, Transport and the Regions / Welsh Office
Section 11 grant
Standards fund / GEST
Revenue support grant
Council tax, sale of property, charges for services
50%
50%
50%
50%
Local Education Authority
Aggregated schools budget
Other forms of income
School governing body
Founding body / trustees
(of voluntary aided schools)
Needs of ethnic minorities
Specific measures to improve school effectiveness
Special educational needs
Teaching and non-teaching staff
Stationery, books, photocopies, cleaning and maintenance, utilities, staff development, etc.
Extra-curricular activities: outings, etc.
Durable/ non-consumable items (library books, computing equipment, etc.)
Buildings, renovation, main installations and associated equipment
Transport, meals
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

Expenditure on durable, non-consumable items such as books, furniture and computer equipment is generally considered to be recurrent rather than capital expenditure and, as such, is funded from the schools' own budget. However, furniture and equipment associated with new and renovated buildings is generally incorporated into the capital costs for the project. Capital expenditure on fixed assets for *voluntary aided schools* is provided directly by grants from the *Department for Education and Employment* (DfEE) in England and the Welsh Office (the National Assembly for Wales since 1999). GEST = *Grants for Education Support and Training* in Wales.

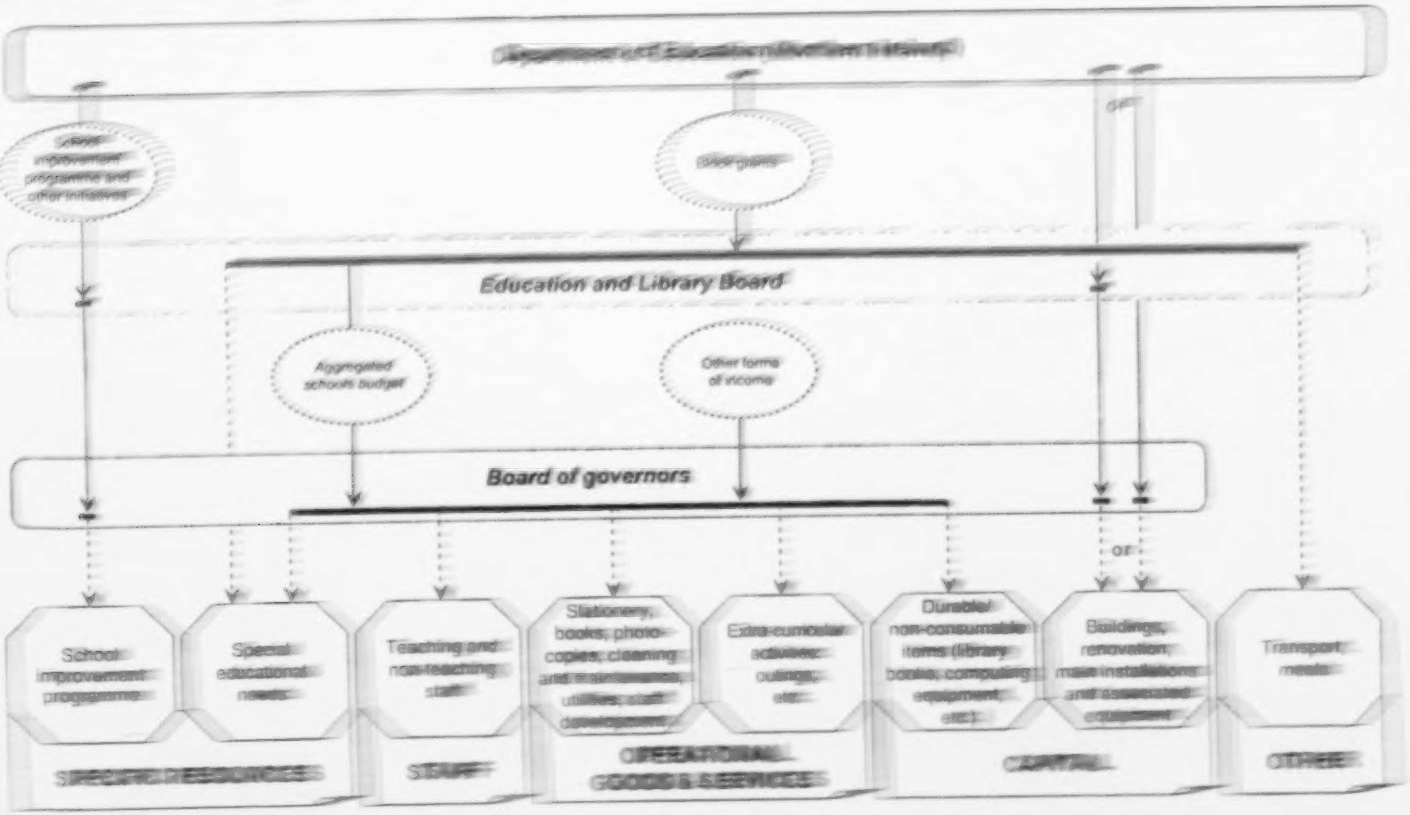
– UNITED KINGDOM (England and Wales) — *Grant-maintained schools* — Primary and secondary schools 1997/98


Home Office
Department for Education and Employment / Welsh Office
Section 11 grant
Funding Agency for Schools / Welsh Office
Section 11 grant
Special purpose grants
Annual maintenance grant
Other forms of income
Annual capital allocation
50%
50%
School governing body
Specific needs of ethnic minorities, teachers of English as a foreign language
Staff development, staff restructuring, etc.
Teaching and non-teaching staff
Stationery, books, photocopies, cleaning and maintenance material, utilities, insurance, maintenance contracts, council charges and staff development
Extra-curricular activities: outings, etc.
Durable/ non-consumable items (library books, computing equipment, etc.), day-to-day repairs
Buildings, renovation, main installations and associated equipment
Meals
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.

The legal status of *maintained schools* was modified with effect from 1 September 1999. *Grant-maintained schools* no longer exist.

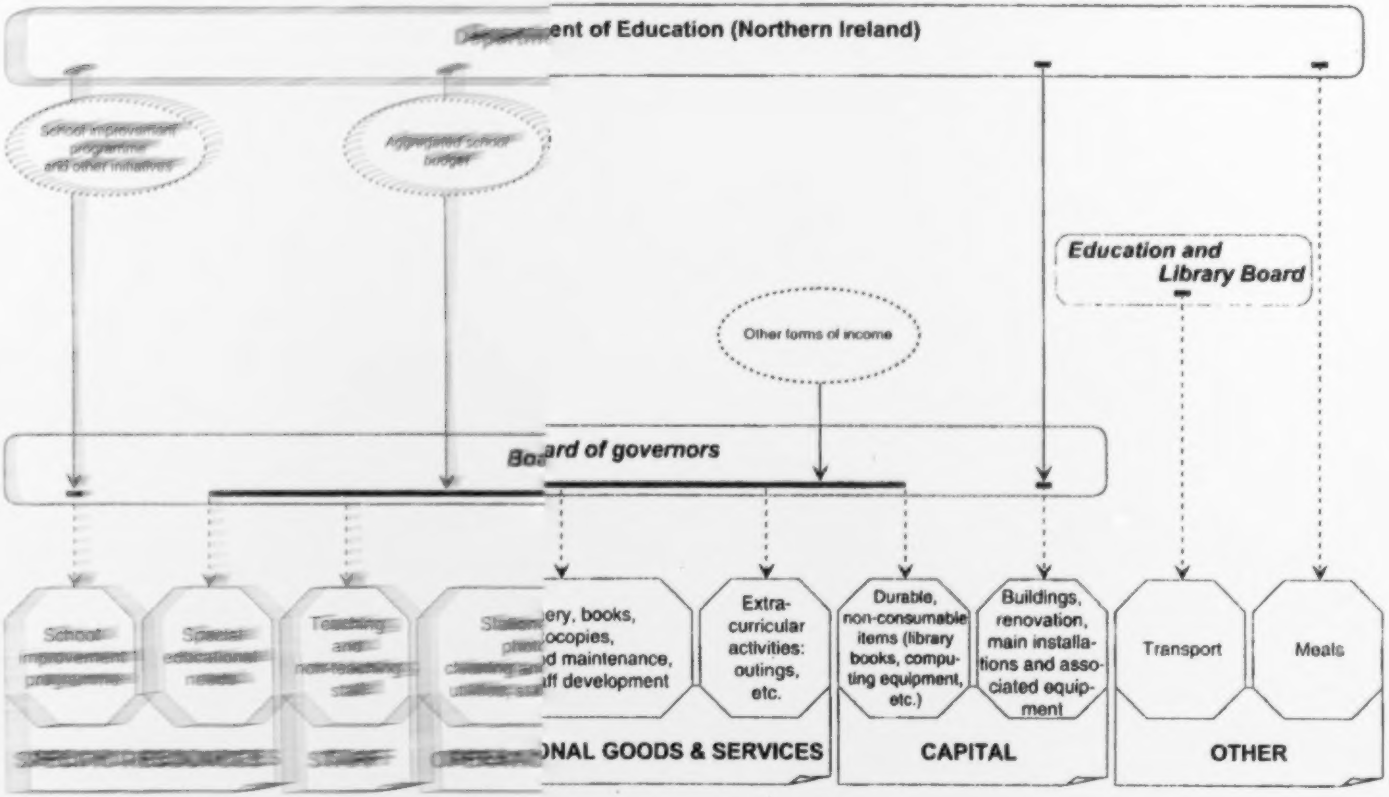
UNITED KINGDOM (Northern Ireland) — Controlled and maintained schools — Primary and secondary schools [illegible]


Department of Education (Northern Ireland)
School improvement programme and other initiatives
Other grants
or
Education and Library Board
Aggregated schools budget
Other forms of income
Board of governors
or
School improvement programme
Special educational needs
Teaching and non-teaching staff
Stationery, books, photocopies, cleaning and maintenance, utilities, staff development
Extra-curricular activities: outings, etc.
Durable/non-consumable items (library books, computing equipment, etc.)
Buildings, renovation, main installations and associated equipment
Transport, meals
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

[illegible]

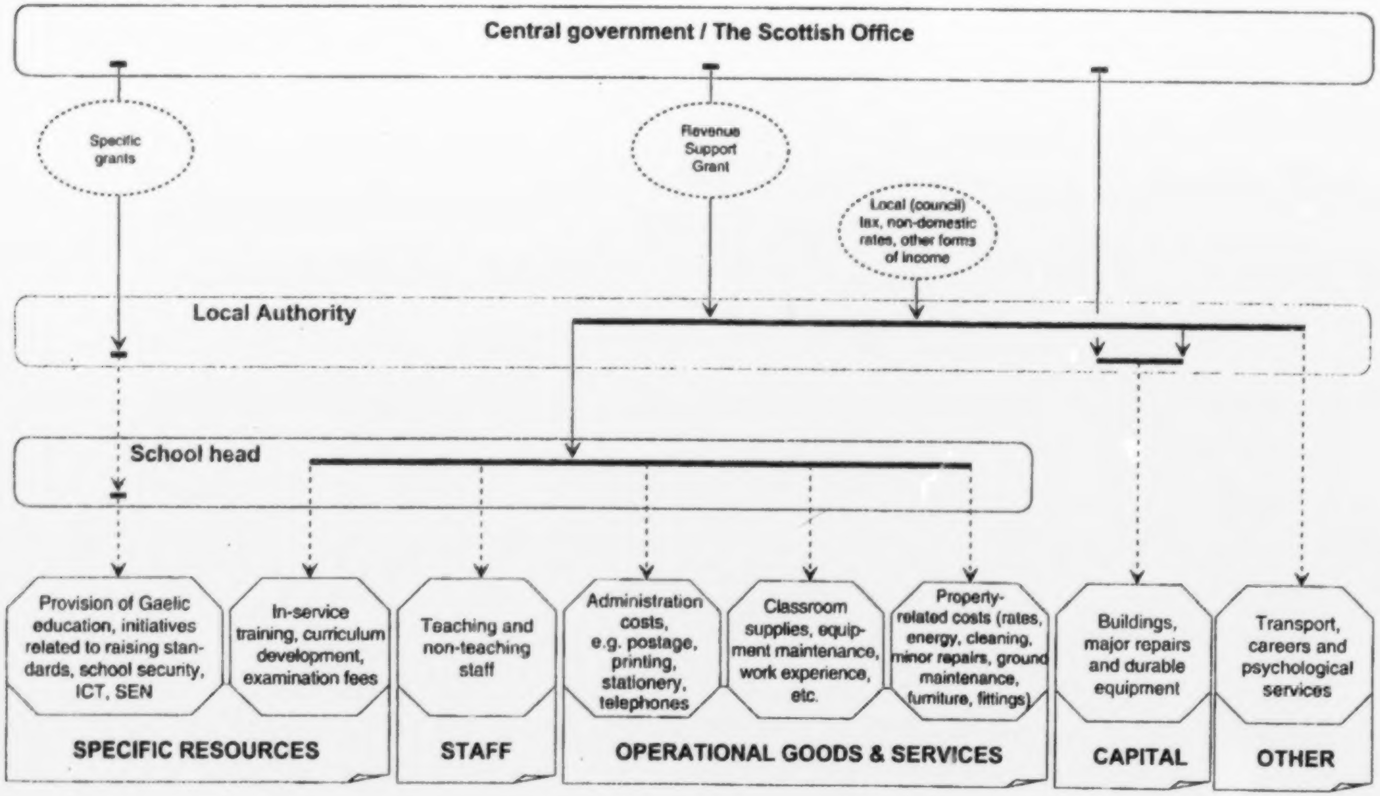
[illegible]

untary grammar schools – naintained integrated schools — Primary and secondary schools 1997/98


ent of Education (Northern Ireland)
School improvement programme and other initiatives
Aggregated school budget
Education and Library Board
Other forms of income
ard of governors
School improvement programme
Special educational needs
Teaching and non-teaching staff
ery, books,
ocopies,
d maintenance,
ff development
Extra-curricular activities: outings, etc.
Durable, non-consumable items (library books, computing equipment, etc.)
Buildings, renovation, main installations and associated equipment
Transport
Meals
STAFF
NAL GOODS & SERVICES
CAPITAL
OTHER

ation for *maintained*, *grant-maintained integrated*, and *voluntary grammar schools*. However, the trustees of

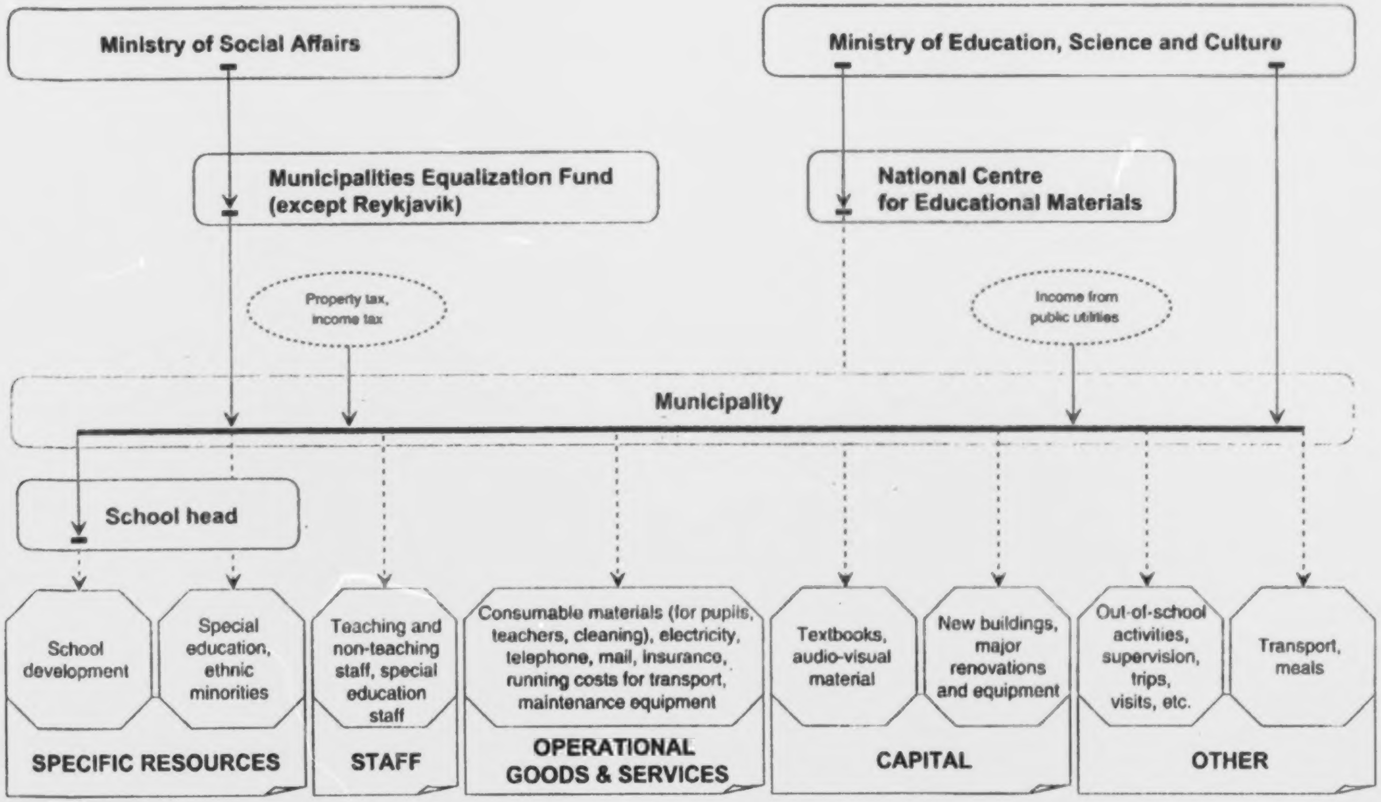
– UNITED KINGDOM (Scotland) ——— **Primary and lower secondary schools 1997/98** –


Central government / The Scottish Office
Specific grants
Revenue Support Grant
Local (council) tax, non-domestic rates, other forms of income
Local Authority
School head
Provision of Gaelic education, initiatives related to raising standards, school security, ICT, SEN
In-service training, curriculum development, examination fees
Teaching and non-teaching staff
Administration costs, e.g. postage, printing, stationery, telephones
Classroom supplies, equipment maintenance, work experience, etc.
Property-related costs (rates, energy, cleaning, minor repairs, ground maintenance, furniture, fittings)
Buildings, major repairs and durable equipment
Transport, careers and psychological services
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

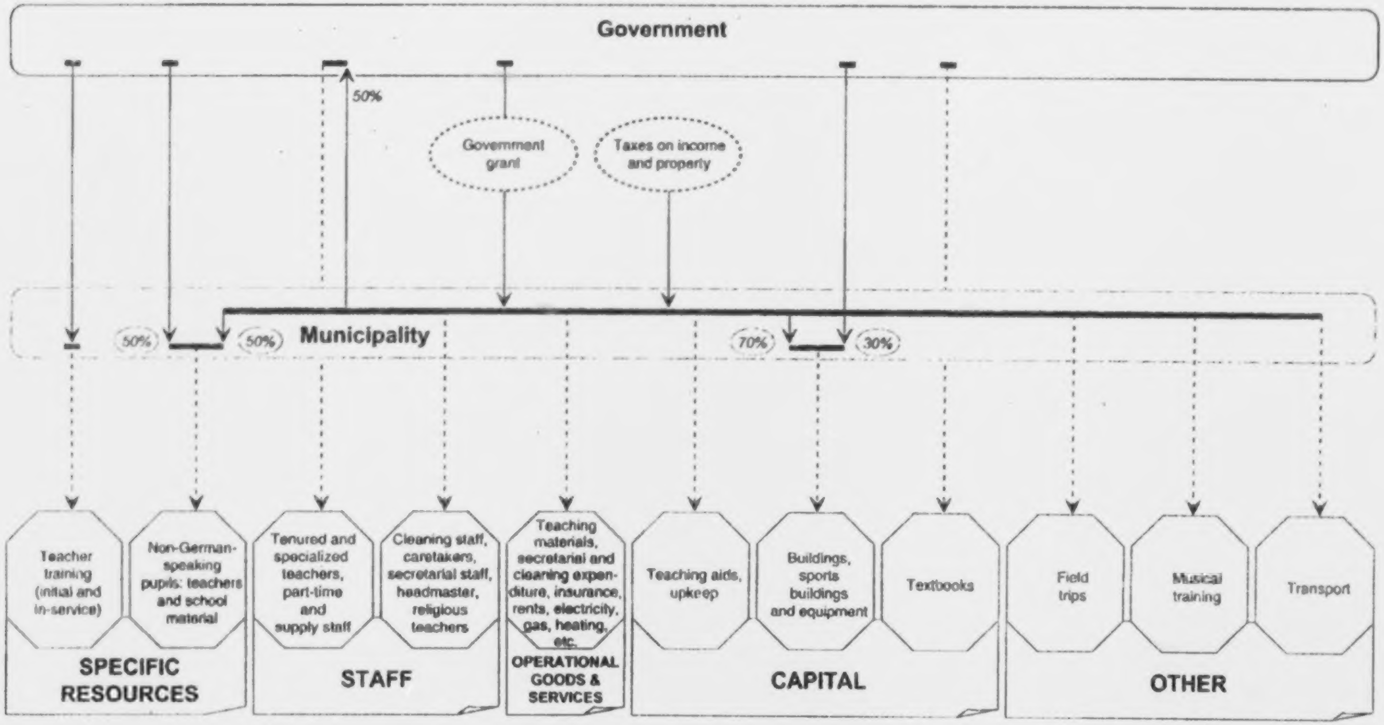
Source: Eurydice.

– ICELAND

Primary and lower secondary schools
1997/98


Ministry of Social Affairs
Ministry of Education, Science and Culture
Municipalities Equalization Fund (except Reykjavik)
National Centre for Educational Materials
Property tax, income tax
Income from public utilities
Municipality
School head
School development
Special education, ethnic minorities
Teaching and non-teaching staff, special education staff
Consumable materials (for pupils, teachers, cleaning), electricity, telephone, mail, insurance, running costs for transport, maintenance equipment
Textbooks, audio-visual material
New buildings, major renovations and equipment
Out-of-school activities, supervision, trips, visits, etc.
Transport, meals
SPECIFIC RESOURCES
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

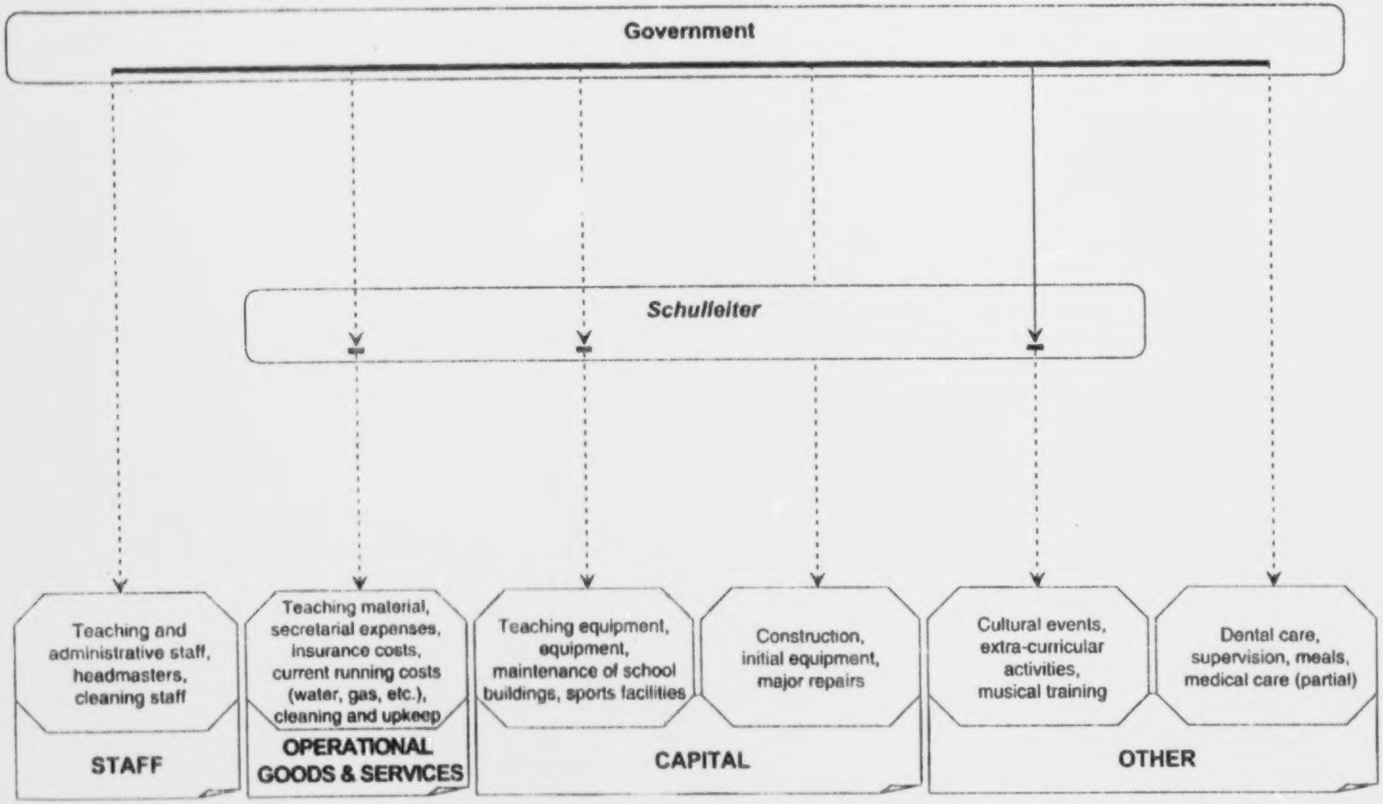
Source: Eurydice.


Government
50%
Government grant
Taxes on income and property
50%
50%
Municipality
70%
30%
Teacher training (initial and in-service)
Non-German-speaking pupils: teachers and school material
SPECIFIC RESOURCES
Tenured and specialized teachers, part-time and supply staff
Cleaning staff, caretakers, secretarial staff, headmaster, religious teachers
STAFF
Teaching materials, secretarial and cleaning expenditure, insurance, rents, electricity, gas, heating, etc.
OPERATIONAL GOODS & SERVICES
Teaching aids, upkeep
Buildings, sports buildings and equipment
Textbooks
CAPITAL
Field trips
Musical training
Transport
OTHER

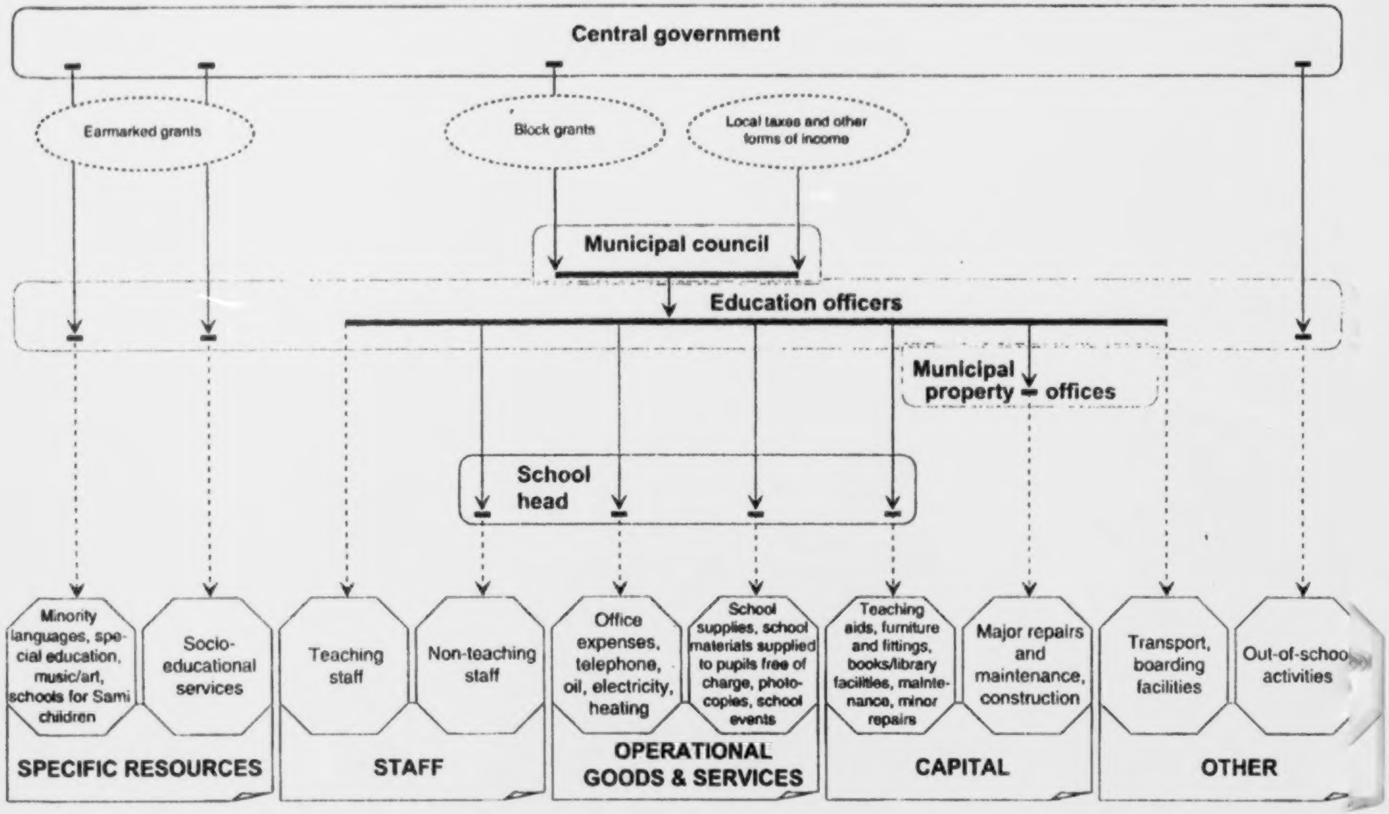
Source: Eurydice.

BEST COPY AVAILABLE

– LIECHTENSTEIN — Lower secondary schools 1997/98


Government
Schulleiter
Teaching and administrative staff, headmasters, cleaning staff
Teaching material, secretarial expenses, insurance costs, current running costs (water, gas, etc.), cleaning and upkeep
Teaching equipment, equipment, maintenance of school buildings, sports facilities
Construction, initial equipment, major repairs
Cultural events, extra-curricular activities, musical training
Dental care, supervision, meals, medical care (partial)
STAFF
OPERATIONAL GOODS & SERVICES
CAPITAL
OTHER

Source: Eurydice.


Central government
Earmarked grants
Block grants
Local taxes and other forms of income
Municipal council
Education officers
Municipal property offices
School head
Minority languages, special education, music/art, schools for Sami children
Socio-educational services
SPECIFIC RESOURCES
Teaching staff
Non-teaching staff
STAFF
Office expenses, telephone, oil, electricity, heating
School supplies, school materials supplied to pupils free of charge, photocopies, school events
OPERATIONAL GOODS & SERVICES
Teaching aids, furniture and fittings, books/library facilities, maintenance, minor repairs
Major repairs and maintenance, construction
CAPITAL
Transport, boarding facilities
Out-of-school activities
OTHER

Source: Eurydice.

In some municipalities, the budgets for staff salaries are also transferred to the schools.

BEST COPY AVAILABLE

Comparative Survey

CHAPTER 1

THE RIGHT TO EDUCATION AND FREEDOM IN EDUCATION

I. INTRODUCTION

A. KEY ISSUES

[illegible]

Free schooling in public education

In all European Union and EFTA/EEA countries, schooling is free at the two levels of education (primary and lower secondary) corresponding to the period of full-time compulsory schooling with which this study deals. However, the free educational provision offered in public-sector schools, which in practice means that no fees are charged, does not mean that parents pay for nothing at all. School books, transport and, in some cases, meals are among goods and services needed by school pupils to benefit as they should from education. When assumed by the public authorities, expenses under these headings appear to correspond to marginal costs in the general budget for education, but may represent a major item in household budgeting if borne by parents. It is therefore appropriate to examine the extent to which countries extend the principle of free schooling to costs of this kind by subsidizing them wholly or partially.

The duration of compulsory education

Throughout the period under consideration, the duration of compulsory education was lengthened in most European countries. While, in many cases, this was merely a question of confirming in legislation what was already a widespread practice, lengthening the period of compulsory schooling in some countries represented an important financial outlay for the public authorities.

The choice of a school in the public sector

Patterns of pupil enrolment in schools may be said to reflect two models. In the first, enrolment is determined by the public authorities, which define school catchment areas that vary in size. In the second, parents are free to choose the school to which they send their child. In reality, most countries stand somewhere between these extremes with a balance, which needs to be clearly understood, between public intervention and parental choice. The question of choice is bound up with that of funding schools in many respects. As regards the general volume of expenditure, it is arguable that, where freedom of parental choice predominates, movements of pupils between schools may give rise to additional expenditure (in particular, because of difficulty in correctly forecasting long-term needs as far as premises are concerned), with a consequent drain on public resources. From the standpoint of funding mechanisms, freedom of choice combined with a formula for calculation which fixes the volume of school resources with respect to the number of pupils is conducive to competition between schools and, according to economic theory, leads to greater 'efficiency' (see Chapter 6 for an analysis of this question).

Criteria for the establishment and level of public funding of grant-aided private schools

Private schools may be established in all the countries considered. What is at issue here is the possibility that such schools may receive public grant aid. The size of the grant-aided private sector varies widely from one country to the next. In some cases, it accounts for the majority of schools, and in others only a small minority (see the General Introduction, Section 1). It is of interest to examine whether these different situations are attributable to the criteria for the award of grants to private schools, along with variations in the amount of public funding they receive. Also meriting consideration is the legislation relating to whether or not schools charge fees, whether the private sector complements the public sector or is in competition with it, and the reasons why the public authorities [illegible]

[illegible] to education and freedom in [illegible]

[illegible]

- [illegible] school: free books, transport and, [illegible] families or dependent on parental income);
- equality of opportunity in securing better social and career prospects, through extension of the period of compulsory schooling. The latter is designed to prevent premature dropout from the school system and give all young people the basic qualifications that are vital for access to higher education or integration into working life.

Measures that offer greater freedom to choose a preferred kind of education are concerned with two other issues:

- being able to choose a school freely in the public sector;
- freedom to found grant-aided private schools, and the level of public funding available for such schools.

After reviewing European and international legislation regarding the right to education and to freedom in the choice and provision of schooling, this chapter will examine where countries stand in relation to these various aspects. Section II deals with measures embodying the right to education, while Section III focuses on measures that allow greater freedom. For each aspect, a description of the current situation precedes a historical and contextual analysis.

B. THE EUROPEAN AND INTERNATIONAL LEGAL FRAMEWORK

The European and international legal foundations for the right to education and the freedom to choose or provide a particular kind of education are contained in several texts: the Universal Declaration of Human Rights, the Declaration of the Rights of the Child, the International Covenant on Economic, Social and Cultural Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms (see Figure 1.1). These texts apply to all countries covered by this study and supplement their own constitutional or legislative measures.

Overall, the international texts set out the following principles:

- the right to education for all,
- free elementary education,
- the obligation to undergo elementary education,
- equality of opportunity as regards access to higher education,
- the right of parents to choose the kind of education they wish to give their children,
- the right of parents to choose schools other than those maintained by the public authorities,
- the right of any person to found and run educational establishments.

The international instruments referred to are formal statements of principle without binding the States that have signed them. Only the European Convention for the Protection of Human Rights and Fundamental Freedoms (and the case law deriving from it) provides for right of appeal by individuals against States which do not respect it.

The following sections of this chapter examine how the EU Member States and EFTA/EEA countries implement the principles of the right to education and freedom in the area of educational provision. It will be shown that, while all countries have arrived at virtually identical standards as regards the right to education, implementation of freedom regarding choice and provision of education varies substantially from one country to the next.

The European Convention for the Protection of Human Rights and Fundamental Freedoms seems to be more concerned with freedom in educational matters and respect for religious convictions in public-sector education. No doubt this is an indication that the egalitarian principle of the right to education for everyone, which is embodied in the practice of compulsory schooling free of charge, has long been taken for granted in European countries.

The freedom to provide or receive an education which conforms to one's philosophical and religious convictions or offers an alternative form of teaching raises, in particular, the question of the public funding of a private form of education. The European Convention does not go into this aspect of the problem. On the other hand, two texts do contain relevant details. The most recent is a framework convention for the protection of national minorities of the Council of Europe, dated 10 November 1994 (Article 13).

1. Within the framework of their education systems, the Parties shall recognize that persons belonging to a national minority have the right to set up and to manage their own private educational and training establishments.
2. The exercise of this right shall not entail any financial obligation for the Parties.

This absence of any financial obligation for the States concerned contrasts with the recommendations of a text which dates from further back, without however being legally binding in any way. A European Parliament resolution of 14 March 1984 established the importance of financing private education.

> In accordance with the right to freedom of education, Member States shall be required to provide the financial means whereby this right can be exercised in practice, and to make the necessary public grants to enable schools to carry out their tasks and fulfil their duties under the same conditions as in corresponding State establishments, without discrimination as regards administration, parents, pupils or staff. Notwithstanding this, however, freely established schools shall be required to make a certain contribution of their own as a token of their own responsibility and as a means of supporting their independent status.

FIGURE 1.1: EUROPEAN AND INTERNATIONAL LEGAL TEXTS

A. International texts (formal statements of principle)

Universal Declaration of Human Rights (10 December 1948)

Article 26

1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.
3. Parents have a prior right to choose the kind of education that shall be given to their children.

Declaration of the Rights of the Child (20 November 1959)

Principle 7

2. The best interests of the child shall be the guiding principle of those responsible for his education and guidance; that responsibility lies in the first place with his parents.

International Covenant on Economic, Social and Cultural Rights (16 December 1966)

Article 13

3. The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to choose for their children schools, other than those established by the public authorities, which conform to such minimum educational standards as may be laid down or approved by the State and to ensure the religious and moral education of their children in conformity with their own convictions.

The Convention on the Rights of the Child (20 November 1989)

Article 28

(...) Make primary education compulsory and available free to all. In its Article 29, the Convention also draws special attention to the liberty of individuals and bodies to establish and direct educational institutions.

B. European legal texts (binding for their signatories)

European Convention for the Protection of Human Rights and Fundamental Freedoms (4 November 1950)

Article 9

1. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief and freedom, either alone or in community with others and in public or private, to manifest his religion or belief, in worship, teaching, practice and observance.

Protocol of 20 March 1952, Article 2

No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions.

Decree of 7 December 1976 (series A, N° 23). Case of Kjeldsen, Busk Madsen and Pedersen.

(...) **the State, in fulfilling the functions assumed by it in regard to education and teaching,** must take care that information or knowledge included in the curriculum is conveyed in an objective, critical and pluralistic manner. The State is forbidden to pursue an aim of indoctrination that might be considered as not respecting parents' religious and philosophical convictions.

II. MEASURES CONCERNING THE RIGHT TO EDUCATION

As pointed out in the introduction to this chapter, analysis of measures associated with the right to education mainly involves two main aspects of the evolution of education systems, namely schooling which is free of charge and compulsory education. While the principle of the right to education has long been implemented in the countries covered by this survey, a few qualifying points have nonetheless to be noted and explained.

A. FREE SCHOOLING IN PUBLIC EDUCATION

A.1. THE SITUATION IN 1997/98

Schooling is free in all European Union and EFTA/EEA countries in the public sector. This is no longer just a principle but a reality reflected in practice in the abolition of school fees.

However, education results in costs which, when assumed by households, may represent a considerable share of family expenditure. These costs arise from the need for teaching materials (such as books and photocopies), the need to travel between home and school and the need for food and refreshment.

To compare these costs, the level at which public-sector schooling in the various countries is subsidized has to be considered. However, the comparison is not ideal in so far as certain needs (for meals or transport, in particular) may vary from one country to the next depending on the different ways school time is organized, or distances between schools and where their pupils live. The contextual analysis (see Chapter 1, point II.A.2) will attempt to explain some of these variations.

A.1.1. Books

Books are entirely funded by the public authorities in most countries. In general, decisions about which books to purchase are taken by municipalities or schools, depending on the degree of decentralization for the acquisition of operational goods and services. This applies to Denmark, France, Finland, Sweden, the United Kingdom and Norway and, in the case of primary education, Italy and the Netherlands. In Greece and Iceland, books are published by national offices for the publication of school textbooks which are responsible to the government.

In some countries, parents are asked to contribute. This applies to the French Community of Belgium, Germany, Austria (10%) and Liechtenstein. Pupils in the French Community of Belgium make a flat-rate payment for all their books, which remain school property. In Germany, books are generally lent to pupils attending public-sector schools for as long as required. Some *Länder* expect parents to contribute to the cost of books and teaching materials, either in the form of a lump sum, or by purchasing items directly.

Books are paid for totally by parents in Ireland. However, a special scheme called *Books for Needy Children* undertakes to purchase them for children (whose parents are) experiencing financial hardship. In secondary education in Italy, book subsidies are subject to the terms of a parental means test, which vary depending on the municipality concerned. In Portugal, books are supplied to pupils from families with low incomes. In Spain, parents pay for books, but grants and other forms of support are awarded to those with low incomes.

In the Flemish Community of Belgium, pupils buy their own books or hire them from the school. Pupils in Luxembourg and in secondary education in the Netherlands have to pay for their books.

135

A.1.2. Transport

In most countries, the public authorities pay for the cost of transport between home and the schools for which they are responsible, generally when the distance involved is more than a few kilometres. For shorter distances, transport may be provided in return for payment. Expenditure is generally borne by the local authorities, as in Denmark, Greece, France, Luxembourg, Portugal in the case of the first and second stages of *ensino básico* (basic education), Finland, Sweden, Iceland, Liechtenstein in primary education and Norway. In Austria, it is borne by a fund whose resources are based on compulsory contributions from employers and employees. The fund is managed by the *Bundesministerium für Umwelt, Jugend und Familie* (Federal Ministry for the Environment, Youth and the Family) (1). In Portugal, expenditure is borne by the ministry in the case of the third stage of *ensino básico*.

In some countries, the subsidy is partial. In Belgium, the price of a school season ticket is calculated with respect to a special rate. However, children aged under 6, or those enrolled in special education, benefit from free transport. For families with at least three children, there is a 50% reduction. In primary education in the Netherlands, local authorities may reimburse parents for transport costs which are regarded as necessary, in both the public and grant-aided private sectors.

In Germany, school transport is not entirely free. In some *Länder*, the main factor governing entitlement to support is parental need. In others, contributions are based on a graduated scale that varies with income. In Spain, financial assistance for the cost of school transport is granted to the parents of pupils on the basis of their income. In Ireland, expenditure drawn from central government financing and income-linked parental contributions is administered by the local authorities. In Italy, the level of support depends on the municipality. Parents have to contribute on the basis of their income but the poorest are exempt.

However, it should be noted that in many countries, including some in which parents are free to choose their child's school, pupils are picked up for transport on an area basis. Where parents decide to enrol them in a school outside their catchment area, transport costs may no longer be assumed by the public authorities (see Chapter 1, point III.A.1).

A.1.3. Meals

Meals are not subsidized to nearly the same extent as school transport and, in general, the subsidy is partial. Only Finland, Sweden and a few municipalities in Italy offer all pupils free meals.

In other countries, parental income is taken into account. In Spain, support for meals goes to the parents of pupils in primary education in accordance with their income. In France, a canteen social fund enables children from exceptionally deprived backgrounds to visit their school canteen free of charge. In Italy, the level of subsidies for meals depends on the municipalities and on the income of parents, though with exemption for the poorest. In the United Kingdom, children of parents in receipt of certain social benefits have to be offered free meals. Subsidized meals for other pupils are offered at the discretion of the local authorities.

School meals in Portugal are partially subsidized in the case of pupils in the second and third stages of *ensino básico*, as well as for pupils in the first stage, in some municipalities. In the remaining countries, there is no financial support to cover the cost of meals.

---

(1) Since March 2000, the Federal Ministry for the Environment, Youth and the Family has ceased to exist. Its responsibilities have been taken over by the Federal Ministry of Social Security and Generations.

FIGURE 1.2: THE EXTENT TO WHICH EXPENDITURE ON BOOKS, TRANSPORT AND MEALS IS BORNE BY THE PUBLIC AUTHORITIES IN PUBLIC-SECTOR SCHOOLING, 1997/98

	BOOKS	TRANSPORT	MEALS
FULLY FUNDED FOR ALL PUPILS (ABOVE A MINIMUM DISTANCE IN THE CASE OF TRANSPORT)	**DK, EL, F, I** (p), **NL** (p), **FIN, S, UK,** **IS, NO**	**DK, EL, F, I** (some municipalities), **L, A, P, FIN, S,** **IS, LI** (p), **NO**	**I** (some municipalities), **FIN, S**
SUBSIDY FOR ALL PUPILS WITHOUT CONDITIONS	**B fr, A,** **LI**	**B fr**	**A, P** (by some municipalities in the case of the first stage of *ensino básico*)
SUBSIDY FOR PUPILS SUBJECT TO PARENTAL INCOME OR OTHER CRITERIA	**D, E, IRL, I** (s), **P**	**B nl, D, E, IRL, I** (some municipalities), **NL** (p), **UK**	**E, F, I** (some municipalities), **UK**
NO SUBSIDY	**B nl, L, NL** (s)	**NL** (s), **LI** (s)	**B, DK, D, EL, IRL, L, NL, IS, LI, NO**

p = primary s = lower secondary

Source: Eurydice.

Additional notes

Greece: Meals are subsidized in music schools.
France: Expenditure on school supplies for individual use, including books, is assumed by the municipalities in virtually all cases. Otherwise, the costs are borne by parents.
Portugal: All pupils in the first stage of *ensino básico* receive two decilitres of milk. This provision is funded by the Ministry of Education and by a Community subsidy from the European Agricultural Guidance and Guarantee Fund.

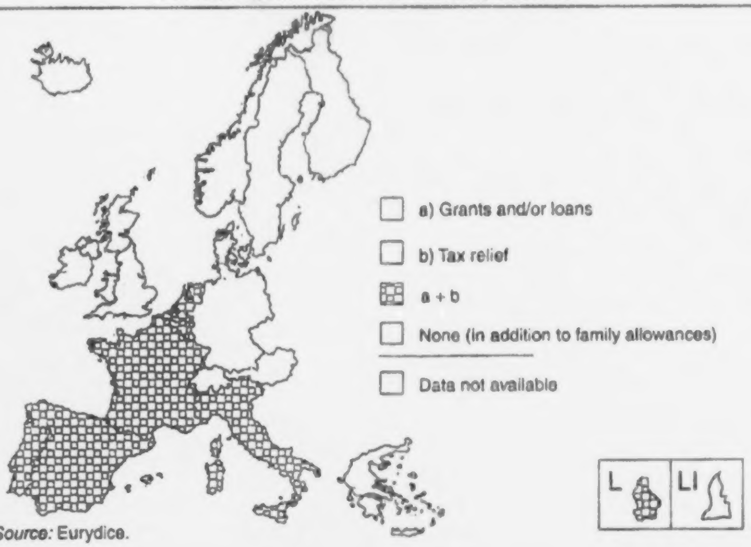
Explanatory note

The fact that meals are not subsidized by the public authorities does not necessarily mean that pupils may not be offered reduced-price meals.

A.1.4. Cash support to families

Direct financial support (in cash) is awarded to the parents of pupils in the age range for compulsory education, who attend a public-sector school, a grant-aided private school or even a private school which receives no public subsidy. This support takes different forms.

FIGURE 1.3: FINANCIAL SUPPORT (IN ADDITION TO FAMILY ALLOWANCES) AWARDED TO THE FAMILIES OF PUPILS IN COMPULSORY EDUCATION, 1997/98



Source: Eurydice.

Additional notes

Belgium, France, Italy and **Luxembourg**: Grants are awarded to pupils in lower secondary education.
Italy: A law of March 2000 has altered the grants system in such a way as to help families finance expenditure relating to the education of their children, whether they attend a state school or any officially recognized school (see Chapter 1, point III.B.2).
United Kingdom: The *Local Education Authorities* (LEAs) in England and Wales, the *Education and Library Boards* in Northern Ireland and the education authorities in Scotland may pay grants and/or provide clothing allowances to enable pupils to take advantage of any educational facility available to them; these awards are made to parents of children in financial hardship.

In all countries, parents receive family allowances throughout the entire period of compulsory schooling. Their amount is not tied to parental income, except in Spain, Italy and Portugal. In addition, parents receive an allocation at the start of the school year in France, Luxembourg and Austria. Its amount is unrelated to family income, except in Austria where it is inversely proportional to this.

Parents also benefit from tax relief on a flat-rate basis in nine countries (Belgium, Germany, Greece, Spain, France, Italy, Luxembourg, the Netherlands and Portugal). In addition, four of them offer tax relief calculated in accordance with real expenditure, including the cost of fees, books or equipment, or transport (Germany, Greece, Luxembourg and Portugal).

Most countries offer grants to pupils in compulsory education, which are generally parental means tested. Such grants are restricted to pupils in lower secondary education in Belgium, France, Italy and Luxembourg, and to those in primary education in Ireland. Finally, it is possible to secure loans in the Netherlands, as well as in Belgium in the case of pupils in lower secondary education.

A.1.5. Voluntary contributions

Very frequently, schools are authorized to receive parental cash contributions on a voluntary basis. However, entirely voluntary contributions should be distinguished from contributions which are systematically requested from parents in order to cover specific items of expenditure. Some countries have introduced regulations aimed at restricting the latter so that they do not constitute a financial barrier to school enrolment or become a means of activity-based discrimination. In a few countries, namely Belgium (the French Community), Spain, the Netherlands and the United Kingdom, this regulation applies to public-sector and grant-aided private schools.

In Belgium, contributions which are not regarded as school fees may be requested from parents. These contributions are specified by decree in the French Community. The decree stipulates that non-payment of these contributions can under no circumstances be regarded as a reason for not enrolling or for excluding a pupil. Contributions for subscriptions to periodicals may also be requested as long as such subscriptions are optional.

In Spain, the 1985 LODE (Basic Law regulating the Right to Education) states that education is free of charge and that pupils cannot be excluded from supplementary curricular or extra-curricular activities in cases where parents do not contribute financially to their cost.

In the Netherlands, schools very often ask for contributions from parents for out-of-classroom activities. Contributions may cover a wide range of activities, the most frequent of which are festivals, school trips, and school camps or excursions. While there are big variations in the amounts schools request from parents, it is essential that they do not result in major differences in the activities offered to their children. In addition, even where the amount requested is high, it should not discourage parents with the lowest incomes from enrolling their child in the school concerned.

In the United Kingdom (England and Wales), the 1996 Education Act states that parents can only be asked to make a financial contribution to activities that are not part of the compulsory curriculum. However, no school authority can insist on such payments, and voluntary contributions can only be requested from parents provided they are told clearly beforehand that their child will not be penalized if they are unable to pay. Similar regulations also exist in Northern Ireland. In Scotland, the situation has for many years been the same as in England. Parental contributions can only be requested for activities that are out-of-school or are not deemed to be an essential part of the curriculum.

Special regulations apply to public-sector education in other countries. Parents in Denmark cover some of the costs of out-of-school activities and pay for some kinds of school excursion. In Germany, parents cover the cost of out-of-school activities (such as school excursions and field trips). As amounts have to be reasonable for everyone involved, some *Länder* place an upper limit on parental contributions, or award special grants. In France, two ministerial circulars dating from 1983 and 1991 specify the limits beyond which parents should not be asked to contribute, and remind schools that such payments must never be compulsory.

In yet other countries (Italy, Luxembourg, Austria, Finland, Sweden and Iceland), voluntary contributions are requested for extra-curricular or out-of-school activities. The scale of such contributions is not limited by specific regulations.

A.2. HISTORICAL AND CONTEXTUAL ANALYSIS

Analysis of measures introduced over the past 30 years does not point to any major changes in the policy of countries as regards support for supplementary educational expenses. Some countries refer to measures relating to school books (Ireland, Italy and Austria).

In Ireland, the *Books for Needy Children* scheme was introduced in 1967 to help children from families in financial difficulty as a result of unemployment, prolonged illness or other circumstances. In Austria, where school books were free from 1972 onwards, parents have contributed to 10% of their cost since 1995/96. A very recent (1999) decree in Italy extends the free supply of school books to all pupils in lower secondary education. This measure was already enacted in primary education whereas, in secondary education, support for books was at the discretion of the municipalities. The measure is especially helpful to pupils suffering economic hardship. Provision of this service free of charge is considered, in Italy, to be a further step forward in securing the entitlement of citizens to an appropriate education.

Public-sector responsibility for meeting the costs of transport and meals has also been the focus of some reforms.

In Portugal, financial responsibility for school transport of pupils in *ensino básico* and for primary school refectories was transferred to the municipalities in 1984. However, many local authorities considered that the way financial resources were distributed prevented them from assuming their responsibilities and gradually shut their school canteens. In 1996, a protocol to reopen the canteens signed by the Ministry of Education and the national association of municipalities, made the Ministry responsible for their financing. Municipalities only had to make a supplementary contribution (see Chapter 2, point III.A).

However, analysis of circumstances and differing needs is fundamental. Thus in countries where population density is high, pupils easily find a school close to their homes. Transport costs are accordingly relatively modest, which may explain why there is no free school transport.

School transport needs can also change if there are big movements of population. In countries in which the residential population has become more widely spread, the closure of very small schools as part of the rationalization of educational provision, has led to a rise in the cost of school transport. In Ireland, steps taken in the 1960s to merge primary schools resulted in its increased use. The upshot is that increasingly greater numbers of pupils have become entitled to free transport. The same trend was witnessed in Greece when more and more village schools were closed in the wake of urbanization. In France, the rural exodus has resulted in the closure of schools or classes in the countryside and the development of school transport in primary education. The solution of closing schools and moving pupils to other schools, or allocating pupils from classes of different levels to various municipalities with the provision of transport for them, has had repercussions on costs and the way they are shared by the government, the municipalities and the *départements* which finance school transport.

Other circumstantial factors may explain why the public authorities only subsidize meals to a limited extent. The structuring of the school timetable on a half-day basis, a long midday break or a very short distance between home and school enabling pupils to return home at midday, may mean that there is barely any demand for catering. By contrast, in some countries with a low population density in which many pupils have to cover very long distances to go to school (as in Finland), it is very important to be able to have a midday meal there. The demand for school meals has been pushed up further by the increase in the number of families in which both parents go to work.

The subsidizing of school meals by the public authorities is also a part of national strategies for fighting the malnutrition that affects pupils in financial difficulty. The canteen social fund established in France in 1997 corresponds to this concern.

B. THE PERIOD OF COMPULSORY EDUCATION

Besides resulting in educational provision free of charge, compulsory education is a tangible expression of the right to education. At first sight, this close association between a right and an obligation may seem very surprising. However, it has to be borne in mind that pupils are children or young people for whom their parents are responsible, so that compulsory education in fact corresponds to the duty of the latter to educate their child. Compulsory education is not synonymous with compulsory schooling (the obligation to attend school) in all countries as, in some of them, parents may assume this responsibility outside the school system. However, attendance at a school is the most widespread way of receiving an education.

Furthermore, extending the period of compulsory education may be considered an egalitarian measure which gives young people the same educational opportunities in terms of the number of years of study as well as, theoretically, the same social and career prospects when the time comes to continue studying or enter the labour market. As a result, this is indeed a measure which expresses the right to education in practice.

Compulsory education is linked to the financing of schools in a variety of ways. From the standpoint of principle, it may be maintained that the universal nature of educational provision implied by compulsory education presupposes that it should be free of charge. And the experience of higher education tends to demonstrate that public financing of a service used by only a part of the population is more readily challenged.

From a more pragmatic angle, extension of the period of compulsory schooling has an obvious impact on the volume of national expenditure earmarked for education. Given that compulsory education generally takes the form of school attendance, which is expected to be free of charge, extending it by one or several years may have major budgetary repercussions.

Furthermore, raising the upper age limit for compulsory education keeps within the education system young people who would normally have left it. This kind of measure therefore heightens the need for educational provision to take account of more marked differences in the abilities, as well as the motivations, of pupils. This attention to individual differences has implications for the way education is organized (in terms of options available to this additional group of young people), and therefore also for its funding.

Finally, ensuring that young people stay on at school for a longer period postpones their arrival on the labour market. The consequences of this may be beneficial in periods of unemployment, but possibly negative whenever parts of the workforce are below strength.

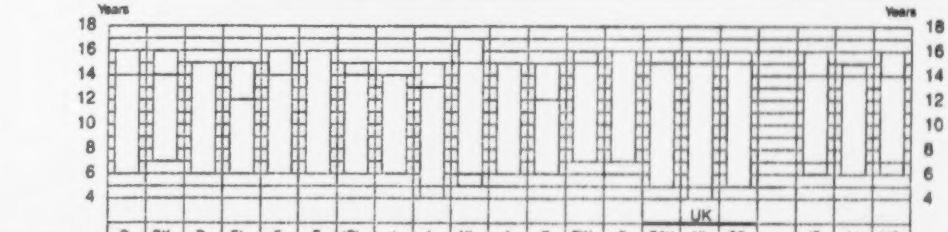
B.1. SITUATION IN 1997/98

In 1997/98, the period of full-time compulsory schooling lasted at least nine years in all European Union and EFTA/EEA countries, with the exception of Italy where it went up from eight to nine years in 1999. Depending on the country concerned, this period corresponded either to primary and lower secondary education, or the continuous single structure of basic education (see the General NL Introduction, Section 1). In France, compulsory education continues until pupils are aged 16 irrespective of the level they have reached: 64% of 15-year-olds attend *lycées* (at upper secondary level), while 36% are still at *collèges*. In Luxembourg, two years spent in pre-primary education are also included.

B.2. HISTORICAL AND CONTEXTUAL ANALYSIS

Considered overall, measures altering the duration of compulsory education point to increasing similarity between countries. During the 1970s, most such measures raised it to a period of nine years, while those introduced from the 1980s onwards on the whole extended it further to ten. However, in some countries, these changes occurred earlier. From 1975 onwards in the Netherlands, the period of full-time compulsory education was established as ten years and then extended to a period of 12 years in 1985. In the United Kingdom, compulsory education has lasted 11 years since 1972 (and 12 years in Northern Ireland since 1989). Five countries have lengthened the period by bringing down the lower limit – to 4 years of age (Northern Ireland and Luxembourg), 5 years of age (the Netherlands) or 6 (Iceland and Norway).

FIGURE 1.4: THE DURATION OF FULL-TIME COMPULSORY EDUCATION BETWEEN 1970 AND 1998



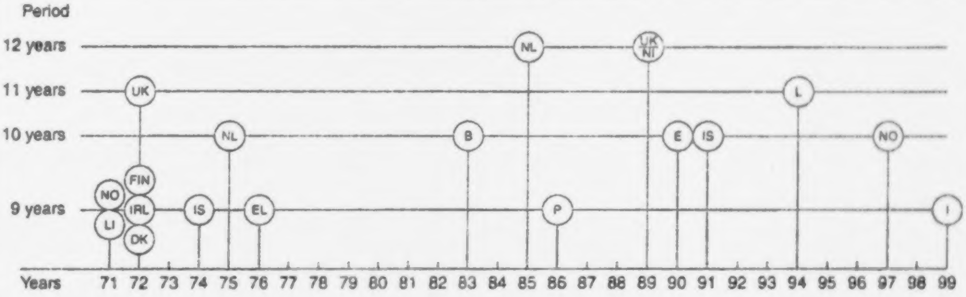
	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	E/W	NI	SC	IS	LI	NO
1997/98 ☐	10	9	9	9	10	10	9	8	11	12	9	9	9	9	11	12	11	10	9	10
1970 ☐	8	7	9	6	8	10	8	8	8	9	9	6	8	9	10	10	10	7	8	7

Source: Eurydice.

Additional notes

Belgium: Compulsory schooling lasts until the age of 18 but may be part-time from the age of 16.
Germany: Full-time compulsory schooling lasts nine years in 12 *Länder* (and ten years in four *Länder*).
Netherlands: Full time compulsory education ends in the school year in which the pupil will reach the age of 16.

FIGURE 1.5: DATES OF REFORMS RELATING TO THE DURATION OF FULL-TIME COMPULSORY EDUCATION BETWEEN 1970 AND 1999



Source: Eurydice.

Additional notes

Germany: Between 1970 and 1999, four *Länder* extended the period of compulsory schooling from nine years to ten.
France: The period of compulsory schooling was extended to ten years in 1959.
Ireland: In 1998, the Ministry of Education announced the extension of compulsory attendance up to the age of 16, but this measure has not yet been formally adopted.
Italy: In 1999, measures were introduced to lengthen the period of compulsory education from eight to nine years.
Austria: The period of compulsory schooling was extended to nine years in 1962.
Iceland: The 1974 law on compulsory education came into force in 1984.

The reasons why countries introduce such measures vary. In many cases, however, the aim is to create equal educational opportunities for all pupils, and often the measure concerned goes hand in hand with extension of the common core (postponing the decision on branch or subject specialization) until the end of compulsory education. This applied to Denmark (1972), Greece (1976), Spain (1990), Portugal (1986), Finland (1972) and Iceland (1974). It also now applies to Italy where, following the 1999 reform, the law which governs the structure of the different stages of schooling is being brought up to date in 2001. When they have completed nine years of compulsory education, pupils will have to decide whether they wish to work towards a general studies qualification, a vocational qualification (in regional-level training) or undertake linked-work-and-training (apprenticeship).

The Spanish reform (1990) also sought to make the normal age of compulsory school leavers the same as the (minimum) age for entry into the labour market.

In other countries, the purpose of the measure has been to prevent young people leaving school prematurely without any qualifications by giving them a diploma or certificate that will be useful in the labour market (Belgium, 1983). This was also the aim of the 1999 Italian reform which was further intended to ensure equality of educational opportunity by offering all citizens the same number of years of study.

In Luxembourg, the aim of the 1994 reform, which introduced compulsory schooling from the age of 4, was to facilitate the integration of pupils and, in particular, those from migrant families. In Northern Ireland, the age at which pupils start compulsory schooling has been lowered to 4, so that all children are offered the same number of years of primary education. In practice, although many children who formerly began school at the age of 4 had seven years of schooling at this level, some only did six. The introduction of the (compulsory) Northern Ireland curriculum has heightened the importance of ensuring that this period is the same for all children.

The decision, in Iceland, that compulsory schooling should start when children were aged 6 sought to enhance their education, and ensure that all had the same right to attend school at that age. Prior to the decision, 90% of Icelandic children attended school at the age of 6. In Sweden, a debate to extend compulsory schooling so that it lasted ten years (from the ages of 6 to 16) led to a different kind of measure. This was the introduction, in 1998, of pre-primary school classes for which enrolment was not compulsory. Most children aged 6 attended these classes.

From the contextual standpoint, the enrolment rate of children or young people in the age-group affected by the extension of compulsory schooling broadly conditions the financial input needed to implement this measure. It should be noted that the period of compulsory education was extended in Greece and Portugal at a time of demographic decline and gradual urbanization in these two countries. In both cases, only some young people in the age-group concerned attended school before this extension took effect. This meant that it had major financial repercussions as educational provision had to be broadened to cater for all pupils.

FIGURE 1.6: LEVEL OF ATTENDANCE OF YOUNG PEOPLE IN THE AGE-GROUP CONCERNED BEFORE THE PERIOD OF COMPULSORY EDUCATION WAS EXTENDED, BETWEEN 1970 AND 1999

A VERY LARGE PROPORTION OF CHILDREN OR YOUNG PEOPLE IN THE AGE-GROUP CONCERNED ATTENDED SCHOOL BEFORE THE MEASURE WAS INTRODUCED.	**B** (1983), **E** (1990), **I** (1999), **L** (1994), **UK** (1972), **UK (NI)** (1989), **IS** (1991), **NO** (1997)
ONLY SOME CHILDREN OR YOUNG PEOPLE IN THE AGE-GROUP CONCERNED ATTENDED SCHOOL BEFORE THE MEASURE WAS INTRODUCED.	**EL** (1976), **P** (1986)

Source: Eurydice.

III. MEASURES CONCERNING FREEDOM IN EDUCATION

Freedom in education essentially means two things: first, the freedom of parents to choose a school suitable for their child and, secondly, the freedom of anyone to initiate a form of education which offers an alternative to public-sector education from the cultural, denominational, ideological or teaching point of view. In both cases, this freedom assumes a different dimension when it is considered from the standpoint of its financial implications.

A. THE CHOICE OF A SCHOOL IN THE PUBLIC SECTOR

A.1. THE SITUATION IN 1997/98

Whether or not parents are able to choose a school in the public sector is unquestionably one of the key factors affecting how the financing of schools is organized. While this possibility may correspond to the wish of parents that they should have greater freedom to choose a school for their child, it may also be consistent with the principle of financing schools in a way that seeks to develop competition between them. Where grants to schools are linked to their enrolments, the arrival or departure of a pupil has implications for their resources. Under these circumstances, the freedom of parents to choose a school has a bearing on educational provision, in so far as schools will try to sell themselves to maintain or increase their resources by enhancing the quality of their provision.

It should be noted that there may be a conflict between the intention that parents should be able to choose a school freely and ensuring effective management of the school places available. Increasing the number of places available in an attractive school to comply with the wishes of parents may mean that places are not filled in a neighbouring school. Where grants are not awarded in accordance with de facto enrolments, pupil flows of this kind may raise unit costs (costs per pupil) in schools that are lagging behind. The issue of free choice of a school is thus very closely linked to that of financing, and is the subject of detailed discussion in Chapter 6.

This section primarily examines legislation relating to the choice of a school. However, freedom to choose a public-sector school must be distinguished from the exercise of this right by parents. Where relevant information is available, parental attitudes to such legal provisions is commented on in the contextual analysis (see Chapter 1, point III.A.3).

To appreciate the degree of freedom each country offers the parents of pupils, it is not enough to consider legislation relating to the choice of a school in the public sector. Information on whether provision of a school transport service is extended to pupils enrolled in a school outside their catchment area is just as important, especially in countries where schools are very widely scattered. Figure 1.7 summarizes the situation in the various countries. It reveals that the degree of parental freedom in them varies from one to the next.

In most countries, the public authorities are involved in decisions regarding the schools attended by pupils. In several countries, they establish the norm in accordance with a plan attributing catchment areas to each school. Possible exceptions to these fairly firm criteria may make the system more flexible as in Germany, France or Luxembourg (in primary schools), Portugal, Liechtenstein and Norway. The same situation is observable in the Netherlands where certain municipalities establish catchment areas for public-sector schools. However, this does not represent the norm given that such schools are in the minority there (see the General Introduction, Section 1).

The freedom of parents to choose a school other than the one proposed by the public authorities is another factor that may make the catchment area system more flexible. This is the case in Denmark, Austria in primary schools, the *Hauptschulen* and the *Polytechnische Schulen*, and in Finland, Sweden in some municipalities, the United Kingdom (Scotland) and Iceland. However, it should be noted that in all these countries, parents may have their request for enrolment refused if their preferred school is

BEST COPY AVAILABLE

threatened with overcrowding. Furthermore, in most of these countries, free school transport is not offered to pupils who do not enrol at the school closest to their home, or who choose a school other than the one they are allocated by their municipality.

In other instances, the public authorities intervene at a later stage after parents have indicated their preference. The aim of any such regulation is to correct imbalances when schools are in a situation in which they are unable to satisfy the demand for enrolment. Indeed, the right to choose a school freely does not mean that it will automatically have a place available. This is the situation in Spain and Italy, in Germany in secondary schools without catchment areas in some *Länder*, in Austria in the *allgemeinbildende höhere Schulen*, and in some municipalities in Sweden, usually in big towns or cities.

The same applies to the United Kingdom (England, Wales and Northern Ireland), where parents have the right to state which school they would prefer their child to attend. This right extends to all schools financed out of public funds, including those which are classified in the present study as grant-aided private schools (see Chapter 1, point III.B) but are regarded as public-sector schools in the United Kingdom. All schools have a given number of places which was originally laid down in 1988 on the basis of their physical capacity. They can apply for changes to this number in accordance with national procedures. If there are more applications than there are places available, schools must admit pupils on the basis of established admissions criteria. In England and Wales, the *Local Education Authority* (LEA) is normally the admissions authority for *county* and *voluntary controlled schools*. *Voluntary aided schools* and *grant-maintained schools* (now *foundation schools*) decide their own admission arrangements but must consult the LEA. All admissions policies are in any case influenced by national guidelines. Denominational schools may also specify religion as a criterion for admission and they may be allowed to keep places empty if applicants do not meet their criteria for entry. Legislation passed in England and Wales in 1998 introduced a number of reforms to school admissions procedures, including the requirement that all parties involved in decisions about admissions to *maintained schools* in a given area have to consult with each other before any change in admissions criteria.

Finally, in a few countries, parents have considerable freedom to choose a school, in that the public authorities do not attempt to influence their decision at any stage. Such is the case in Belgium, Ireland and the Netherlands (with the exception of schools in some municipalities that establish catchment areas). However, in Ireland, this freedom is compromised by geographical considerations. Long distances, in particular for getting to secondary schools, together with the fact that transport services are organized on the basis of catchment areas, limit the options of some parents. In Belgium, transport is also organized to enable parents to enrol their child in the school closest to their home offering their preferred kind of education. Here, the question of transport is no doubt less of a critical issue than in Ireland, because schools in Belgium are located more closely together.

FIGURE 1.7: THE POSITION OF COUNTRIES AS REGARDS THE CHOICE OF A SCHOOL IN THE PUBLIC SECTOR, IN 1997/98

Category A: Pupils strictly allocated a particular school by the public authorities

	SCHOOLS	AUTHORITY RESPONSIBLE FOR THE CHOICE OF SCHOOL
EL	Primary, secondary	Director of education or regional school services

Category B: Pupils allocated a particular school by the public authorities with exceptions sometimes possible

	SCHOOLS	AUTHORITY RESPONSIBLE FOR DECIDING ON EXCEPTIONAL CASES	CONDITIONS GOVERNING EXCEPTIONS	TRANSPORT SERVICES
D	Primary schools	Authority responsible for schools at local level	No denominational school or school associated with an educational ideology	Free transport usually limited to the closest school. Parents may nevertheless be granted partial repayment of transport costs for schools outside the catchment area
	Hauptschulen with catchment areas	Authority responsible for schools at local level	Well-being of pupils	
F	Primary	Municipality	Determined freely by the mayor	Limited to the school closest to a pupil's home
	Collèges	*Inspecteur d'académie*	Course provision	
L	Primary	(Municipal) school committee	The person entrusted with care of the child lives in another area	Limited to the school closest to a pupil's home in municipalities without public transport
NL	Primary schools in some municipalities	Municipality	Number of available places	Possible repayment enabling children to attend the nearest school offering them the kind of education preferred by their parents
P	*Ensino básico*	Educational authorities: DRE	Closeness of the workplace	Limited to the school closest to a pupil's home
LI	Primary and secondary	*Schulamt*	(:)	(:)
NO	*Grunnskóle*	Municipality	Dispensation following decisions on a case-by-case basis	Normally limited to the closest school

Category C: Pupils allocated a particular school by the public authorities but parents have the right to apply for another school

	SCHOOLS	AUTHORITIES THAT RECEIVE APPLICATIONS	CONDITIONS GOVERNING THE ACCEPTANCE OF APPLICATIONS	TRANSPORT SERVICES
DK	The *Folkeskole*	Municipalities	Number of available places, and no financial problems for the municipality concerned	Limited to the school closest to a pupil's home
A	Primary, *Hauptschulen, Polytechnische Schulen*	The school chosen by the parents	Pupils belong to particular catchment areas	Possible extension to a school that is not the closest
FIN	*Peruskoulu/ Grundskola*	The provider of education of the school chosen by the parents	Number of places available	Limited to the school selected by the municipality
S	*Grundskola* (some municipalities)	Municipalities	Number of available places, and organizational or financial problems for the municipality concerned	Limited to the school closest to a pupil's home, as selected by the municipality
UK (SC)	Primary and secondary	Education authorities	Number of available places	Generally limited to the school closest to a pupil's home
IS	*Grunnskóli*	Municipalities	Number of available places, and no organizational or financial problems for the municipality concerned	Limited to the school closest to a pupil's home

Source: Eurydice.

FIGURE 1.7 (CONTINUED): THE POSITION OF COUNTRIES AS REGARDS THE CHOICE OF A SCHOOL IN THE PUBLIC SECTOR, IN 1997/98

Category D: Freedom in the choice of a school, but subsequent intervention by the public authorities where there is risk of overcrowding

	SCHOOLS	AUTHORITIES INTERVENING IN THE DISTRIBUTION OF PUPILS	CRITERIA TAKEN INTO ACCOUNT FOR REGULATORY PURPOSES	TRANSPORT SERVICES
D	Secondary schools without catchment areas	Local authority responsible for education	Well-being of pupils	Possible extension to a school that is not the closest
E	Primary and secondary schools	Autonomous Communities or the government	Parental income, closeness, presence of brothers and sisters, etc.	Limited to the school closest to a pupil's home
I	Primary and secondary schools	*Provveditori agli studi* and the municipal administration	Closeness	Limited to the school closest to a pupil's home
A	*Allgemeinbildende höhere Schulen*	*Landesschulrat*	Closeness of a pupil's home, presence of brothers and sisters	Possible extension to a school that is not the closest
S	*Grundskola* (some municipalities)	Municipality	Absence of organizational or financial problems for the municipality	Limited to the school closest to the pupil's home designated by the municipality
UK (E/W/NI)	Primary and secondary schools	LEAs/*Boards* for admissions; School Organization Committee (England), LEA (Wales) and the DE (NI) for authorization to increase the capacity of the school	For example, closeness of a pupil's home, presence of brothers and sisters, capacity of the school to cater for special educational needs	A service may be offered to pupils who attend a school that is not the closest to their home

Category E: Freedom in the choice of a school without any intervention by the public authorities

	SCHOOLS	TRANSPORT SERVICES
B	Primary and secondary	Provision is limited to the school which is closest to the home of the parents and offers the kind of education they wish to give their child.
IRL	Primary and secondary	Transport is organized on the basis of areas in which children may be picked up for school. Parents who choose a school outside these areas have to cover the costs entailed.
L	Secondary schools	Limited to the school closest to a pupil's home in municipalities without public transport
NL	Most primary schools; secondary schools	Transport costs may be reimbursed to enable children to attend the nearest school offering them the kind of education preferred by their parents.

Source: Eurydice.

Additional notes

France: When the *collège* in a particular catchment area does not offer some courses – mainly foreign language courses – a family may request permission to enrol the pupil in another *collège* that does offer them.
Italy: Where schools run the risk of overcrowding, the *Provveditori agli studi* establish catchment areas. Since implementation of the law on school autonomy, parents have been entirely free to choose their child's school (see Chapter 1, point III.A.2).
Luxembourg: In major built-up areas, pupils travel to school by public transport.
Austria: Parents whose request for enrolment of their child is refused may appeal against the decision.
United Kingdom (E/W/NI): In most schools, admissions criteria may only be applied if the school is oversubscribed.
United Kingdom (SC): Parents are entitled to appeal to the education authority if their application to enrol their child in a school other than the one designated by the public authorities is turned down. When parents wish to enrol their child in a school different from the one designated by the public authorities in order that the child receives instruction in Gaelic, the education authority meets the costs of this.

BEST COPY AVAILABLE

A.2. HISTORICAL ANALYSIS

The five categories shown in Figure 1.7 already existed at the start of the period covered by the analysis.

The countries in category E, in which parents are entirely free to choose the school they wish, were already in this situation well before the period under consideration. Three of these countries (Belgium, Ireland and the Netherlands) have in common that the freedom of parents to choose a school offering the kind of ideological or denominational education they wish their child to receive is a basic right, resulting in a choice between schools of an ideological or religious nature. Italy, with the very recent implementation of the 1999 law on school autonomy, may be included in this category of countries. Parents are entirely free to choose their child's school. The schools then have to decide whether or not to admit pupils, and the municipalities whether or not to lay on transport for those enrolled in a school other than the one closest to their home.

In Greece, the strict allocation of pupils to a particular school (category A) has been in operation for a very long time with, at present, no sign that this is likely to change.

Countries included in category B, in which each pupil is allocated a particular school but with exceptions sometimes possible, have not changed their legislation during the period under consideration. Legislative measures aside, there were significant changes in the conduct of parents, with an increase in the number of exemptions from normal allocation procedures in France, and experimentation to enable parents to choose a school more freely in Portugal, as well as a debate on the relevance of introducing freedom of choice in Norway.

However, the growing number of applications for dispensation submitted to mayors or the *Inspecteurs d'académie* in France has raised doubts about how far a strict school catchment area policy is being applied. Some *académies* have been authorized to enforce the regulation more flexibly on an experimental basis, by allowing parents to make applications for catchment area dispensation, which are examined by a local committee. The experiment appears unlikely to result either in widespread adoption of the procedure, or the abolition of catchment areas.

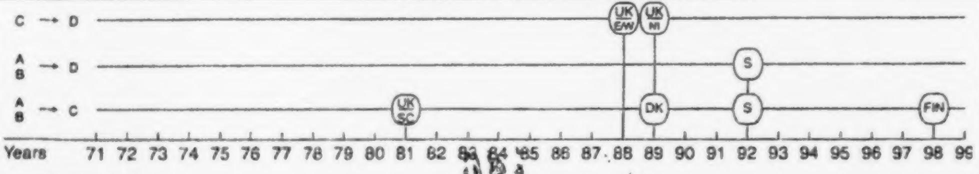
In regions in Portugal that are not experiencing overcrowding or shortages in primary education, the *Direcções regionais de educação* (DRE) take account of parental preferences as far as the capacity of schools permits. This is, however, an experimental process.

Norway is the last Nordic country to retain strict planning of the school distribution of pupils. A number of politicians have attempted to introduce the idea of enabling schools to be freely chosen by parents, and funded on a unit per capita basis in order to boost competition between them. However, at present no legislation along these lines appears to be in the pipeline.

In Iceland, although it has always been possible to choose a school other than the one designated by the municipality – or by the government prior to 1996 – the scope for doing so has been somewhat limited since responsibility for compulsory education was delegated from the latter to the municipalities in that year (see Chapter 2). It has become a little more difficult for parents to secure acceptance of their application to enrol their child in another school when it is situated in a different locality.

A few countries (Denmark, Finland, Sweden and the United Kingdom) changed their legislation during that period, moving from categories A or B into categories C, D or E. These reforms gave parents greater freedom to choose a school, but intervention by the public authorities remained significant.

FIGURE 1.8: DATES AND DIRECTION OF REFORMS REGARDING THE CHOICE OF A SCHOOL IN THE PUBLIC SECTOR BETWEEN 1970 AND 1999



Source: Eurydice.

147

A.2.1. Trend towards prior allocation of pupils to a particular school, with the parental right to apply for another school under certain circumstances

While only two countries (Austria and Iceland) adopted this kind of procedure for allocating pupils to schools in the 1980s, six did so at the end of the 1990s. The United Kingdom (Scotland) and several Nordic countries have moved towards this kind of balance between the need to control pupil distribution among schools and upholding the principle of freedom to choose a school.

The first reform occurred in Scotland in 1981. The Education Act enabled young people to attend a school outside their catchment area as long as places were available. The Parents' Charter of 1991 confirmed this right. However, in several areas, the education authorities fixed an upper limit on the number of places available for each school.

In Denmark, where there was an area-based policy under which each pupil was allocated to a particular school, the 1989 legislation highlighted the importance of freedom to choose a school (among those available in the municipality), in effect making parents equivalent to consumers and creating competition. Schools were encouraged to become more attractive or otherwise face a reduction not only in enrolments but resources, too. Municipal councils were thus given the responsibility of ensuring that this freedom was respected as far as possible. Municipalities were granted the option of allowing parents to enrol their children freely at one of their schools as long as places remained available and municipal finances were not adversely affected.

Following the 1992 law on education in Sweden, some municipalities offered parents the opportunity to choose a school other than the one they had designated, or even to enrol their child in a school in another municipality provided this posed no organizational or financial problems. Transport costs were not covered if parents took up this option, which was another way of limiting the choice of school.

Finally, since 1999 when legislation on freedom to choose a school took effect in Finland, pupils there have been able to go to a school other than the one to which they have been allocated by their municipality. Individual eligibility depends on whether there is a place available in the school for the particular pupil concerned. Where this is so, the pupil has to comply with the same selection criteria as pupils living close to the school in question. However, those who are admitted to a school under these circumstances are not entitled to free transport. Furthermore, it is worth noting that, in all countries, the choice of schools in rural areas is limited by the considerable distance between them.

A.2.2. Increasing freedom of choice, but subsequent intervention by the public authorities

In Sweden, the above-mentioned 1992 law on education also enabled municipalities to let parents choose a school and then to adjust admissions as required. Actual practice, therefore, has varied from one municipality to the next.

In the United Kingdom, England, Wales and Northern Ireland may be included in category D. The aim of the 1988 Act which introduced the *Local Management of Schools* (LMS) was to initiate a new kind of management for better quality education. Several parts of the Act sought to bring about direct competition between schools for pupil enrolment and thus the creation of a market for education (see Chapter 6). Among these provisions was the decentralization of school budgets, as a result of which schools became more autonomous (see Chapter 2, points II.C and III.B). The method of calculating the budget in accordance mainly with the number of pupils also strengthened competition (see Chapter 3). Finally, another significant aspect of the reform was the increased parental choice of school. From 1988 onwards, local authorities were no longer empowered to limit the number of pupils admitted to schools to balance out school enrolment. Attractive schools had to be allowed to expand, and LEAs could only reduce the notional size of a school with ministerial approval.

These reforms were part of a more general policy to limit the power of local authorities and to contain the growth of public expenditure (see Chapter 2, points II.B and III.A). During the 1980s, increasing numbers of parents refused to accept LEA decisions as to the allocation of their children to a particular school and lodged appeals. The 1988 Act thus harnessed this social pressure to a broader general plan intended to raise school standards.

In 1998, the planning and administration of school places, along with the agreements on pupil admissions, were reformed. LEAs had to draw up school organization plans, describing how they intended to provide primary and secondary education to cater for the needs of the population within their area of jurisdiction. Furthermore, a code of practice was published by the Ministry, which outlined procedures for making the admissions system transparent, objective and fair, while complying as far as possible with the wishes of parents. Admissions policies of some schools require them to ensure that their intake includes pupils across the full range of abilities. Furthermore, *city technology colleges* (CTCs), which are independent schools in England and largely funded by the government, are obliged, under their contract with the government, to ensure that their intake of pupils represents the full range of abilities which exists within their catchment area.

A.3. CONTEXTUAL ANALYSIS

An increase in freedom to choose a school has been witnessed in only a small number of countries. While opting for legislation that in principle is more liberal, these countries have in reality introduced a system under which the public authorities continue to intervene and, with very few exceptions, regulate the level of school enrolments.

In three countries, these changes are part of an attempt to make parents in effect consumers and intensify competition between schools. These countries are Denmark, Sweden and the United Kingdom (except Scotland). Only in the case of England, Wales and Northern Ireland has the power of intervention of the local authorities really been limited. In Denmark, these measures have met with stiff resistance from the teacher unions and municipal authorities, neither of which wish to be governed by the market forces underlying the free choice of schools. In so far as the local authorities have undisputed autonomy in educational matters, they have tended to express serious reservations about whether schools may be freely chosen (1). The local authorities in Sweden have retained considerable scope for regulating the level of school enrolments after pupils have been provisionally allocated a school. In the three countries, the measures were introduced by governments that were conservative (Sweden, 1992; the United Kingdom, except Scotland, 1988, 1989) or liberal (Denmark, 1992) (2).

The reason for the differing implementation of measures whose aim was the same in all three countries at the outset unquestionably lay in the relationship between their central governments and local authorities. In the United Kingdom (England and Wales), the spirit of the 1988 Act was to weaken the role of the LEAs. In Denmark and Sweden, the position of the local authorities was generally reinforced. Although, specifically, as far as the choice of a school was concerned, the intention was to strengthen parental initiative, other measures introduced in the 1990s tended to increase the power of the municipalities.

Another important contextual factor has been the development of consumerism. For competition to occur between schools, not only must there be freedom to choose a school but parents must exercise their right to do so. Consumerism, however, only seems to flourish under certain circumstances and legislation introduced for parents to choose their school does not necessarily reflect pressure from parents seeking greater freedom. A country such as Sweden, which has introduced more liberal legislation, does not appear to have experienced any such trend. Conversely, a country like France, which has maintained its catchment area policy, has to confront increasingly insistent demands from parents wanting their children to change school.

Why do parents, particularly in France and the United Kingdom, feel it is important to be able to choose a school? Some people are swift to blame the *collège unique* or the *comprehensive schools* in lower secondary education which, by placing all pupils in the same kind of school irrespective of their social background, lead middle class parents to avoid schools enrolling proportionally greater numbers of children from immigrant or disadvantaged backgrounds.

---

(1) This conflict between ministerial positions tending to strengthen the hand of users, and the point of view of teachers and local authorities seeking to retain their decision-making powers, also exists in relation to another parallel measure aimed at setting up *skolebestyrelse* which are school decision-making bodies whose members are largely parents (see Chapter 2, point III.B).

(2) Some right-wing parties in France are also exerting pressure to secure the freedom to choose a school.

Admittedly, such developments have not been witnessed in Germany and Austria, where different kinds of secondary schools offering different sorts of courses exist alongside each other (see the General Introduction, Section 1). Up to a point, this system corresponds to the preference of parents for a differentiated education system, with different kinds of school for children at secondary level. It is true, too, that other countries, such as Spain which has schools with a common core curriculum for children up to the age of 16, also grant parents some freedom of choice giving rise to this social compartmentalization.

However, the provision of education in single or *comprehensive schools* is not the only reason why parents seek another school close to their homes. In the Nordic countries in which the single structure has long been in existence, such provision does not appear to give rise to the same kind of social tension.

An additional factor should doubtless be considered, namely the presence, on a large scale in some cities and regions, of many socio-economically deprived groups of migrants who attend some schools in considerable numbers.

Thus in Belgium, several studies undertaken in the French Community show that the number of pupils who have had to repeat one or more years varies very widely between schools, especially in cities like Brussels. This points to the existence of school segregation based on ability. The same studies reveal that schools with the greatest failure rates (corresponding to pupils who have had to repeat one or more years) are also those which have the most foreign pupils or children from deprived socio-economic backgrounds, and in which the police have to take action most frequently.

In Spain, the arrival of immigrants belonging to disadvantaged socio-economic groups is a relatively recent phenomenon. There are large numbers of children from immigrant families in certain schools in Madrid (in which they may account for as much as 40% of enrolment).

In France, in which enrolment is still basically determined by the catchment area policy, the system of dispensations – which are granted in secondary education when pupils are allocated to schools that fail to offer the subjects they wish to take – leads some *collèges* to offer special courses as options enabling parents to secure the dispensation they need to enrol their child at their preferred school. These are not cases of fraud or lax administration, but use of the actual provisions in the system of dispensation. Furthermore, the combination of urban segregation and the placing of pupils in schools in accordance with their levels of attainment leads, in some schools, to the creation of classes made up of pupils from migrant backgrounds.

In the Netherlands, where there is freedom of choice, marked segregation is becoming increasingly widespread, in so far as some parents no longer wish to send their children to schools in which children from migrant families are concentrated in large numbers.

In the United Kingdom (England), studies into the effects of implementing what is virtually a market for education show that schools in urban conurbations are becoming increasingly different from each other as regards the socio-cultural characteristics of their school populations (1). The main reason for this is that the school market operates on the basis of public information about the results achieved by schools. Attractive schools (to which applications for admission exceed the number of places available) are thus pressurized into selecting those pupils most likely to obtain good results. As social class and ethnicity are perceived as two good predictors of subsequent attainment at school, it is logical that segregation should be based on them, even though selecting pupils on the basis of ethnic criteria is illegal under the Race Relations Act, which applies to school admissions policies. The conclusions of the above mentioned studies are based on data collected during the 1990s. Since then, however, new legislation and a code of practice have been introduced to improve transparency and standardize admissions procedures (see Chapter 1, point III.A.2.2).

Clearly, these data have to be placed in perspective by analysing them with due regard for social stratification in the residential area concerned. The fact that in big built-up areas, people tend to come together in groups sharing common social and cultural characteristics, inevitably has a bearing on enrolment trends, irrespective of whether parents can choose the school their child attends or not. It may be possible to compensate to some extent for this effect that the social structure of residential areas has on school recruitment, by means of policies for redefining them, so that different neighbourhoods in terms of the socio-cultural characteristics of their residents are brought together into a single school catchment area. Yet it is difficult to counteract the strategies adopted by some parents who will not hesitate to move house so that they can enrol their child at their preferred school.

---

(1) West, A., and Pennel, H., *New Modes of Financing Education: A Review of the Literature.* Report commissioned by the European Cultural Foundation on behalf of the Eurydice European Unit, Center for educational Research, London, 1996.

To sum up, policies governing the freedom to choose a school raise more issues than they resolve, whether from the economic or political standpoint.

From the economic angle, the conventional argument for freedom to choose a school is that it generates competition between schools (provided, clearly, that there is a certain degree of consumerism), which in turn boosts their efficiency. By 'efficiency', what is meant here is the optimal use of resources (see Chapter 6 for further details).

This argument may be criticized in two ways on economic grounds.

- First, there is a danger that the more marked differences between different school populations when parents have been able to choose schools freely, eventually stifle competition. This is because the schools concerned tend gradually to come to specialize in catering for either disadvantaged groups of pupils or, on the contrary, those who are privileged. Once the process is complete, competition is limited to the particular 'social niche' from which schools draw their intake.
- Secondly, the surplus costs arising from the system have to be set against the benefits of more efficient management of resources. These excess costs may be of two kinds.
  - ⇒ Movements of the school population, giving rise both to potential overcrowding at good schools and the closure of poorer ones as long as competition lasts, may have an impact on the cost of buildings where schools expand to accommodate more pupils (with the renting of premises or the construction of new classrooms) or, alternatively, if the buildings of a less attractive school are shut down.
  - ⇒ Freedom to choose a school enables certain very privileged groups in society to develop public-sector schools with characteristics generally sought after in private schools. For this sector of the population, it is better if parents can enrol their children in schools which correspond to their expectations in terms of values and socio-cultural characteristics, and are entirely financed by the public authorities, rather than in private schools which may be grant-aided but still charge fees. Eventually, therefore, freedom to choose a school could have the effect of increasing public educational expenditure. Private expenditure, to which some households might consent in order to place their child in the private sector, would be replaced by public expenditure.

From the ideological angle, the argument for free choice is that it corresponds to the demands of parents who are primarily concerned that they should be able to decide at which school their child is educated. This argument raises two important questions regarding educational policy.

- Does the development of consumerism, which tends to accentuate distinctions between social groups, run directly counter to the principles that inspired single-structure or comprehensive schools, namely the desire for integration, and the conviction that the choice of school should not be determined by social considerations?
- Does the social stratification of schools, which inevitably leads to different kinds of educational provision as regards quality (up-market or down-market schools) run directly counter to the principles of the right of everyone to education and, more specifically, equality of educational provision?

In so far as the social stratification of schools is generated by urban stratification, it would appear that a catchment area policy is in any event unable to counteract a trend whose implications extend well beyond the field of education. But when the stratification of schools is attributable to intense competition between them, the questioning of the efficiency of the system as a whole seems fully justified.

B. THE FUNDING OF THE GRANT-AIDED PRIVATE SECTOR IN RELATION TO PUBLIC EDUCATION

Citizens are free to found, organize and run a school under the legislation of all European countries. The establishment of private schools is a way of putting the freedom of education into practice. However, the development of certain grant-aided private schools has another side to it, namely the privatization of education in the sense of services provided by private entities reliant on public funds. This privatization enables the constitution of a real market for education. By 'grant-aided private school' is thus meant any school financed out of public funds but belonging to private-law entities (such as foundations, non-profit-making associations, school trustees, etc.) (1). Included in this definition are both private schools whose right to public support is confirmed in law, and those which receive subsidies awarded at the discretion of the public authorities. In the United Kingdom (England, Wales and Northern Ireland), schools which belong to private bodies such as trustees, foundations and Churches, but are financed out of public funds, are considered to be within the public sector. In the present study, however, they will be analysed under the heading of grant-aided private schools. Private schools receiving no public support whatever are considered neither in the present chapter nor in the study as a whole.

This section aims primarily to clarify the position of grant-aided private schools vis-à-vis public-sector schools. Are they intended to offer a denominational, ideological alternative to public-sector schools, or perhaps a different kind of teaching from that of the public sector? Is their purpose to satisfy educational needs that public-sector schools are unable to meet? Or are they, on the contrary, regarded more as a privatization of educational provision? The analysis will be rounded off with an examination of the fees that may be charged, as well as the funding mechanisms of this sector which also determine the extent to which its schools are (or are not) in competition with those of the public sector.

B.1. THE SITUATION IN 1997/98

B.1.1. The position of educational provision in the grant-aided private sector, compared to that of the public sector

In Greece and in United Kingdom (Scotland), private primary and lower secondary schools are not grant aided. These two countries are thus not concerned by the present analysis although it should be noted that, in Scotland, denominational schools come within the public sector. In Italy, the only public funding of private lower secondary schools is in subsidies for transport and canteens. The analysis therefore applies exclusively to primary education.

It should be noted that in Ireland, the education system is characterized by a partnership between the State and various private interests. The role of the former is to ensure that these concerns have the capacity and means to provide education, and to help them in terms of actually setting up schools in regions where they are needed. The very great majority of schools in Ireland are the responsibility of private interests, and grant-aided private education there is regarded as virtually the same as public-sector education.

An examination of the relevant legislation in the various countries is instructive as regards the position of grant-aided private education. Figure 1.9 shows that, in most countries, the latter essentially complements public-sector provision, and offers either a denominational or ideological alternative to it, in compliance with the principle that parents are free to choose a school offering their child their preferred kind of education. In some cases, grant-aided private schools offer an alternative in terms of teaching when inspired by an educational model other than that of the public sector. Among such schools are those based on the teaching systems of Steiner, Montessori, Freinet or Decroly.

---

(1) For further details about the conditions governing syllabuses, timetables, methods, the status of staff and the terms of educational provision, readers will find helpful information in the document *Private Education in the European Union. Organization, Administration and the Public Authorities' Role*, 2000 (which may be accessed on the Eurydice web site, www.eurydice.org).

A complementary relationship is not however the pattern in all countries. In some countries, the public-sector is in direct competition with grant-aided private schools which, at the outset, offered a denominational alternative. Naturally, for this competition to be real, grant-aided private schools have to be relatively numerous. For that purpose, their denominational identity must not be a barrier to enrolment (the religion concerned has to be very firmly established), and their enrolment fees must not be excessive. Belgium, in which Catholic grant-aided private education enrols a significant proportion of pupils illustrates this fairly well. The denominational identity of some of the schools concerned does not discourage the enrolment of pupils from non-religious backgrounds, as the quality of education provided, as well as the sociological characteristics of the school population, are what count most for them. Similarly, in secondary education in Germany, the presence alongside each other of Catholic or Protestant public-sector and private schools (the *Ersatzschulen*) ensures that parents can choose between two service providers, and thus boosts competition and innovation in education.

In the United Kingdom (England, Wales and Northern Ireland), educational provision at grant-aided private schools (in particular the *voluntary controlled schools* and *voluntary aided schools* in England and Wales and the *maintained* and *voluntary grammar schools* in Northern Ireland) has always supplemented that provided at schools run by the public authorities. The inter-school competition which developed following legislation in 1988 and 1989 transcended the distinction between schools administered by the public authorities and those belonging to private bodies and was based on the quality of educational provision and the level of pupil attainment.

FIGURE 1.9: EDUCATIONAL PROVISION IN GRANT-AIDED PRIVATE SCHOOLS COMPARED TO THAT OF PUBLIC-SECTOR SCHOOLS: A COMPLEMENTARY OR COMPETITIVE RELATIONSHIP, 1997/98

	MEETING AN EDUCATIONAL NEED ONLY SLIGHTLY – OR NOT AT ALL – SATISFIED BY THE PUBLIC SECTOR	AN ALTERNATIVE FORM OF TEACHING	A CULTURAL, DENOMINATIONAL OR IDEOLOGICAL ALTERNATIVE		EDUCATIONAL PROVISION SIMILAR TO THAT OF THE PUBLIC SECTOR
	COMPLEMENTARY POSITION			COMPETITIVE POSITION	
EUROPEAN UNION					
B fr		Decroly, Freinet and Steiner schools	Orthodox, Islamic, Jewish and Protestant schools	Catholic schools	
B nl			Jewish and Protestant schools		
DK	Schools established following the closure of public-sector schools in small communities	Steiner schools	Schools of various denominations (Lutheran, Catholic, Islamic, etc.), schools for linguistic, religious or ethnic minorities		*Grungtvigian* schools in rural areas.
D	*Ersatzschulen*	Primary: Steiner schools	Primary: schools of a non-denominational, denominational or philosophical nature unlike that of any public-sector school in the municipality concerned.	Denominational secondary schools, *Freie Waldorfschulen* and others	
EL	Not applicable, as private schools receive no form of subsidy				
E	Catholic or other denominational schools with priority funding for those which cater for economically deprived school populations, which cover school needs in their particular area or which undertake interesting innovations in teaching				
F				Catholic schools	
IRL	Primary schools, *voluntary secondary schools*				

Source: Eurydice.

Additional note

Germany: The *Freie Waldorfschulen* offer an alternative form of teaching based on the pedagogy of Steiner, and also a cultural and ideological alternative.

FIGURE 1.9 (CONTINUED): EDUCATIONAL PROVISION IN GRANT-AIDED PRIVATE SCHOOLS COMPARED TO THAT OF PUBLIC-SECTOR SCHOOLS: A COMPLEMENTARY OR COMPETITIVE RELATIONSHIP, 1997/98

	MEETING AN EDUCATIONAL NEED ONLY SLIGHTLY – OR NOT AT ALL – SATISFIED BY THE PUBLIC SECTOR	AN ALTERNATIVE FORM OF TEACHING	A CULTURAL, DENOMINATIONAL OR IDEOLOGICAL ALTERNATIVE		EDUCATIONAL PROVISION SIMILAR TO THAT OF THE PUBLIC SECTOR
	COMPLEMENTARY POSITION			COMPETITIVE POSITION	
	EUROPEAN UNION (CONTINUED)				
I	Private schools, most of which are Catholic	Montessori, Steiner schools	Catholic schools		
L		Waldorf school	Denominational schools		
NL		Steiner, Montessori, Jenaplan, Dalton and Freinet schools	Roman Catholic, Protestant, Islamic, Hindu, Jewish schools, etc.		
A		Waldorf, Montessori, Steiner and other schools	Denominational schools		
P	Schools with partnership contracts in areas in which there are not enough public-sector schools	Sponsorship contracts for education in the arts or innovations in teaching			
FIN		Steiner schools	A few denominational schools		
S		Waldorf, Montessori and other schools	A few denominational schools		Grant-aided private schools whose educational provision is similar to that of the public sector
UK (E/W)			*Voluntary controlled schools* and *voluntary aided schools* (mainly administered by religious bodies)		*Grant-maintained schools (foundation schools)*
UK (NI)			*Maintained schools* (mainly Catholic Church), *voluntary grammar schools*, *grant-maintained integrated schools*		
UK (SC)	Not applicable, as private schools receive no form of subsidy				

Source: Eurydice.

Additional notes

Italy: Solely in primary education.
Netherlands: Some schools administered by the public authorities also conform to these educational models.
United Kingdom (E/W/NI): Under the new status attributed to schools (1998), *grant-maintained schools*, which were previously LEA-*maintained schools* that had opted for independence from LEA control, former *independent schools* or, yet again, schools with *grant-maintained* status established between 1988 and 1998, became *foundation schools*. It should be remembered that the *grant-maintained schools, voluntary controlled schools* and *voluntary aided schools*, which are treated as grant-aided private schools in the framework of this chapter, are assimilated into the public sector in the country itself.
United Kingdom (SC): Proposals to amend the 1993 legislation, which provides for the setting up of *self-governing schools*, are currently seeking to bring the two schools of this kind under the supervision of a public authority. To all intents and purposes, therefore, grant-aided private education does not exist.

BEST COPY AVAILABLE

FIGURE 1.9: EDUCATIONAL PROVISION IN GRANT-AIDED PRIVATE SCHOOLS COMPARED TO THAT OF PUBLIC-SECTOR SCHOOLS: A COMPLEMENTARY OR COMPETITIVE RELATIONSHIP, 1997/98

	MEETING AN EDUCATIONAL NEED ONLY SLIGHTLY – OR NOT AT ALL – SATISFIED BY THE PUBLIC SECTOR	AN ALTERNATIVE FORM OF TEACHING	A CULTURAL, DENOMINATIONAL OR IDEOLOGICAL ALTERNATIVE		EDUCATIONAL PROVISION SIMILAR TO THAT OF THE PUBLIC SECTOR
	COMPLEMENTARY POSITION			COMPETITIVE POSITION	
EFTA/EEA					
IS		Waldorf school	A few denominational schools		Two grant-aided private schools whose educational provision is similar to that of the public sector
LI	(:)				
NO		Schools offering an alternative form of teaching	A few schools that are denominational or based on an alternative form of teaching (Steiner/Montessori)		

Source: Eurydice.

B.1.2. Fees

The question of school fees in grant-aided private education may be analysed from two angles. First, no obligation to pay fees is a sign that freedom to choose a kind of education distinct from that on offer in public-sector schools exists in its fullest form, since there is no financial barrier to enrolment. Secondly, schools that charge fees have a kind of selection mechanism for controlling those admitted to them.

In a first group of countries, legislation relating to fees is exactly the same as that enforced in the public sector. This applies to Belgium, Spain, the Netherlands, Portugal (in the case of partnership contracts), Finland, Sweden and the United Kingdom (with the exception of some *voluntary grammar schools* in Northern Ireland which may solicit so-called 'capital fees' as a contribution to capital expenditure).

In a second group, pupils pay fairly low fees. In Germany, the *Grundgesetz* (Constitution) precludes any distinction between pupils based on parental financial resources. As a result, private schools only charge moderate fees, or guarantee compensation to pupils with parents of limited financial means. In Norway, parents contribute 15% of the staff and operational resources of grant-aided private schools.

In yet a third group of countries, fees are earmarked for certain budgetary headings for which schools receive no public subsidy. In France, fees paid by parents contribute to the cost of buildings. In Austria, fees cover operational costs. In Italy, they supplement a fairly small central government subsidy, so they are always quite high (¹). In Iceland, parental contributions depend on the amount contributed by the municipality.

(¹) In should be noted that, in this country, a recent law (March 2000) has altered the grants system in such a way as to help families finance expenditure relating to the education of their children, whether they attend a state school or any officially recognized school (see Chapter 1, point III.B.2).

FIGURE 1.10: SCHOOL FEES IN GRANT-AIDED PRIVATE EDUCATION, 1997/98

NO SCHOOL FEES - THE LEGISLATION IS IDENTICAL TO THAT OF PUBLIC-SECTOR SCHOOLS	LIMITED TUITION FEES TO AVOID ANY SOCIAL DISCRIMINATION	SCHOOL FEES WHOLLY OR PARTIALLY COVER BUDGETARY HEADINGS NOT COVERED BY PUBLIC-SECTOR FUNDING
B, **E**, **IRL** (primary and non-fee-paying secondary schools), **NL**, **P**, **FIN**, **S**, **UK (E/W/NI)**	**D**, **L**, **NO**	**DK**, **F**, **IRL** (fee-paying secondary schools), **I** *(scuole parificate)*, **A**, **IS**

Source: Eurydice.

Additional notes

Finland: Some schools may request the payment of fees if they offer instruction in a foreign language.
Liechtenstein: Data not available.

B.1.3. Main models for financing grant-aided private schools

Three main models for financing grant-aided private education may be distinguished, in accordance with their degree of similarity to the public sector (1).

Financing arrangements very different from those for the public sector

In Denmark, Italy (in primary schooling), Luxembourg, Iceland, Liechtenstein and Norway, the way in which grant-aided private education is financed differs considerably from funding in the public sector. In Denmark, the subsidy consists of two grants paid directly by the government which are allocated with respect to the number of pupils. The first is earmarked for staff and operational costs, and the second for capital expenditure. In Norway, funding consists of a single grant awarded by the government on the basis of the number of pupils.

In Italy and Luxembourg, in primary education, grant-aided private schools receive a block grant from the government to cover a part of the costs, while the public sector operates with special grants, some of which are awarded by the government and others by the municipalities.

In Iceland, municipalities are responsible for financing both grant-aided private schools and public-sector schools. However, in the case of the former, they pay out grants that only cover some of the costs, whereas they underwrite the acquisition of all goods and services for most schools in the public sector. In Liechtenstein, municipalities fund private schools; while public-sector schools are financed by the government, as well as by the municipalities at primary level.

Financing arrangements are similar to those for public-sector schools, at least for expenditure on staff and sometimes for operational expenditure

In Spain, France (contract-regulated private schools), Portugal (schools with a partnership contract) and Austria (denominational schools), as well as in the United Kingdom in England and Wales (*voluntary aided schools* and *grant-maintained schools*) and in Northern Ireland (*maintained schools*, *grant-maintained integrated schools* and *voluntary grammar schools*), teachers in grant-aided private schools are paid in the same way as in public-sector schools.

Grants for operational expenditure are similarly awarded in France, Portugal, and in the United Kingdom (England, Wales and Northern Ireland) for the above-mentioned schools. In the last country, the source of financing depends on the category of the school (see Chapter 2). By contrast, in Austria (2), grant-aided private denominational schools receive no regular public financial support for their operational expenditure. However, they may receive subsidies at the discretion of the public authority concerned. In all cases, the subsidy for expenditure on buildings is very different from that of the public sector.

---

(1) Another way in which private schools are publicly funded, in Portugal, should be mentioned, namely payment by the public authorities on behalf of some pupils, of the fees charged by non-subsidized private schools. Because this is a very unusual arrangement, it has not been dealt with in the study, but in Portugal it has become increasingly widespread. A similar system enabling local authorities to buy places in private schools existed in the United Kingdom in the 1950s but was abolished in 1975. In 1981, payment of fees on behalf of some private school pupils was reintroduced in England under the *Assisted Places Scheme* and then abolished in 1998. Finally, in Ireland, Protestant religious authorities receive an allocation to cover grants to the most deprived children so that they can attend Protestant schools which charge fees.

(2) Under the Private School Act in Austria, denominational schools are entitled to call for the allocation of teachers who are paid and appointed by the public authorities. Private schools which do not belong to a religious body do not have this entitlement. The decision as to whether they will be allocated teaching staff paid for by the public authorities is at the latter's discretion.

In Germany, grants are awarded by the *Land* to the *Schulträger* responsible for grant-aided private schools to cover operational and staffing costs.

In Belgium and Finland, the bodies responsible for administering private schools obtain funding similar to that received by the local authorities for schools under their jurisdiction. In Belgium, therefore, the provinces and municipalities have to partially finance the buildings of schools they administer. The bodies responsible for running grant-aided private schools also have to partially fund their buildings. In the Flemish Community of Belgium, conditions governing the award of grants for school buildings are the same in both sectors (educational provision by the provinces and municipalities as opposed to grant-aided private education), whereas in the French Community they are different. The share of funding that municipalities earmark for the capital expenditure of their schools has no equivalent in the private sector. The 'fringe benefits', on the other hand, that municipalities may award their schools (optional assistance corresponding to social kinds of requirement) also have to be available to grant-aided private schools on the same terms.

Private law bodies responsible for schools in Finland receive a basic amount calculated with respect to unit prices, in the same way as municipalities or federations of municipalities which administer schools.

Identical financing for grant-aided private schools and schools in the public sector

Grant-aided private schools are financed in exactly the same way as public-sector schools in the Netherlands, Sweden and in the United Kingdom (England and Wales) in the case of the *voluntary controlled schools.* In the Netherlands, the government directly funds the administrative boards of grant-aided private schools in the same manner as it supports the authorities responsible for public-sector schools. Municipalities also have to ensure fairness in their award of grants to schools in both sectors. In the other countries, financing is undertaken by the local authority, whether one of its own schools or a grant-aided private school is the recipient.

B.1.4. The level of public funding of grant-aided private schools

In the foregoing countries in which the method of funding is identical irrespective of the sector concerned (the Netherlands and Sweden), the scale on which private schools are financed is equivalent to that of the public sector. In the United Kingdom, in general, grant-aided private schools in England, Wales and Northern Ireland receive the same level of operational funding as public-sector schools, however, some categories of grant-aided private schools may be required to contribute up to 15% of capital costs.

In a few countries, public grants on top of fees cover all costs without the necessity for any other private contributions. This applies to Denmark, in which staff and operational resources are generously funded by the government which also offers grants for buildings.

In Finland, the amount is very close to the allocation for public-sector schools. If a private school was founded before 1 August 1998, it is identical to the sum received by the municipalities and federations of municipalities which administer public-sector schools. If the school was established after that date, the amount corresponds to 90% of the grant awarded in the public sector.

In Spain, France (contract-regulated private schools) and Portugal (schools with a partnership contract), the scale of funding for staff and operations is the same, but capital resources receive less support. In Belgium, subsidies for grant-aided private schools are identical to those for schools administered by the provinces and municipalities. As buildings are the property of the body that runs a particular school, government or other public-sector support, where applicable, more often involves underwriting a loan or subsidizing the interest on it. In some countries, the buildings are made available to the school administrative body. In the Flemish Community of Belgium, the percentage of public funding for expenditure on buildings belonging to grant-aided private schools is much higher than in the other countries.

While, in Austria, operational costs are not covered by the public authorities, buildings are made available to the bodies responsible for maintaining schools.

Financial assistance in the other countries is partial. In Iceland, the public authorities cover between 50% and 90% of staffing and operational costs, and also offer support for buildings. In Norway, 85% of staff and operational expenditure is borne by the government. In both countries, grant-aided private schools adopt a vigorous approach to fund-raising. In Liechtenstein, financial assistance depends on the municipality. In Italy, the government awards a grant but this covers only a small proportion (less than half) of all operational costs.

FIGURE 1.11: PUBLIC FINANCING OF GRANT-AIDED PRIVATE EDUCATION, 1997/98

	TEACHING STAFF	NON-TEACHING STAFF	OPERATIONAL ACTIVITY	MOVABLES	IMMOVABLES
EUROPEAN UNION					
B fr, B de *Écoles libres/freie schulen*	The Ministry pays for all salary costs of teachers and school heads	Paid for out of operational costs	The Ministry awards a subsidy identical to that of public-sector schools administered by the provinces and municipalities.		The Fund for School Buildings awards a subsidy which covers interest payments above 1.25% over a maximum 30-year period, and publicly underwrites the agreed loan
B nl *Vrije scholen*	The Ministry pays for all salary costs of teachers and school heads	Paid for out of operational costs	The Ministry awards a subsidy identical to that of public-sector schools administered by the provinces and municipalities.		The DIGO awards subsidies for up to 70% of the costs
DK	The central government awards an operational block grant for all staff and operational costs			The government provides a subsidy along with support for the payment of interest on loans, and the renting and upkeep of buildings	
D *Ersatz-schulen*	The *Land* contributes to expenditure on staff		The *Land* awards a subsidy for operational expenditure (school materials and equipment).		The *Land* awards a subsidy for building and the initial fitting out and equipment of schools, as well as for investment related to maintenance (funding depending on the *Land* concerned)
EL	Not applicable				
E *Centros concertados*	The Autonomous Communities or the government assume all salary costs	The Autonomous Communities or the government assume the costs of service and administrative staff in a way that varies	The Autonomous Communities or the government award subsidies whose amounts vary	Autonomous Communities or the government award subsidies whose amounts vary	No subsidy
F primary (contract-regulated private)	The Ministry pays for all salary costs of teaching staff	The municipality awards financial support on the same terms as for public-sector schools (in the case of partnership contracts), or on the basis of a formal agreement reached with the school concerned (in the case of an ordinary contract)			The municipality may offer a building loan guarantee
F secondary (private, under partnership contract)	The Ministry pays all salary costs of teaching staff		The *département* awards a subsidy identical to that available in the public sector (plus 5% to cover the special expenditure of these schools)		The *département* makes buildings available, or awards a subsidy which cannot exceed 10% of the amount of the costs, or underwrites payment

Source: Eurydice.

BEST COPY AVAILABLE

FIGURE 1.11 (CONTINUED): PUBLIC FINANCING OF GRANT-AIDED PRIVATE EDUCATION, 1997/98

	TEACHING STAFF	NON-TEACHING STAFF	OPERATIONAL ACTIVITY	MOVABLES	IMMOVABLES
			EUROPEAN UNION (CONTINUED)		
IRL primary	The Ministry pays for all salary costs	The Ministry pays for all salary costs	The government awards a subsidy which covers a major proportion of costs (around 85%)		The government bears up to 85% of the costs for new schools, large-scale maintenance expenditure, urgent work, minor works and prefabricated buildings. For schools at which teaching is in Irish, cover includes the purchase of sites
IRL non-fee-charging *voluntary secondary schools*	The Ministry pays for all salary costs		The government awards a subsidy which covers a major proportion of costs (around 85%)		The government awards a subsidy to cover up to 90% of building costs, the provision of site equipment and facilities, and renovations
IRL fee-charging *voluntary secondary schools*	The Ministry pays for all salary costs		No grant		
I primary	The government awards an annual block grant which covers some of the overall costs.				
I secondary	Not applicable				
L	The government awards a grant based on the number of enrolments				
NL primary	The government pays all salary costs via the CFI		Via the CFI, the government awards a subsidy identical to the one awarded public-sector schools		The municipality bears all costs
NL secondary	Via the CFI, the government awards a subsidy identical to the one awarded public-sector schools				
A denominational schools	The Ministry pays for all salary costs	No regular subsidies, which are paid at the discretion of the public authorities			The Federal Ministry for Education concludes a contract with a private school with public law status, under which it agrees to cover one-third of the costs of rebuilding, improvements, and extensions under certain circumstances. The remaining two-thirds are then covered either by the *Land* and the school (in a ratio of 1:2), or by the school alone.
A non-denominational schools	Staffing allocation at the discretion of the public authorities	No regular subsidies, which are paid at the discretion of the public authorities			
P (partnership contracts)	The government covers all salary costs via the DRE		Via the DRE, the government awards a subsidy the same as the one awarded public-sector schools		Via the DRE, the government awards cash subsidies for extending installations, equipment and facilities and major renovations
P (sponsorship contracts)	The government covers between 50% and 90% of salary costs via the DRE		The government covers between 50% and 90% of operational costs via the DRE		

Source: Eurydice.

Additional notes

Ireland: Since 1999, the government has covered the costs of all site expenditure for primary and post-primary schools. Nearly all schools have had their contributions to the cost of new building cut by 5% with an upper limit of IEP 50 000 (around EUR 63 487), and their contributions to the cost of renovations (including extensions) reduced by 10% with an upper limit of IEP 25 000 (around EUR 31 743).

Austria: The conditions governing financial support for capital expenditure are of several kinds. A) the private school meets a need which would be met by a public sector school if the former did not exist. B) the school has to be committing itself to a long-term process. C) the school should accept the enrolment of children irrespective of their religion. D) it can only alter the kind of teaching it offers with the authorization of the *Landesschulrat*.

FIGURE 1.11 (CONTINUED): PUBLIC FINANCING OF GRANT-AIDED PRIVATE EDUCATION, 1997/98

	TEACHING STAFF	NON-TEACHING STAFF	OPERATIONAL ACTIVITY	MOVABLES	IMMOVABLES
EUROPEAN UNION (CONTINUED)					
FIN	The government awards a subsidy calculated to cover all staff and operational costs on the basis of an estimated unit cost				A subsidy may be awarded for building costs
S	The municipality awards a block grant, the amount of which is determined with respect to the commitments of the schools and the needs of schoolchildren, on the same basis as for public-sector schools.				
UK (E/W) *Voluntary controlled schools*	The LEAs award a general budget whose amount is fixed in the same way as in the public sector				The LEAs award capital funds whose amount is fixed in the same way as in the public sector
UK (E/W) *Voluntary aided schools*	The LEAs award a general budget whose amount is fixed in the same way as in the public sector				The Secretary of State can finance up to 85% of building-related capital expenditure. The rest may be raised from loans from the Ministry, savings made from the school budget or other means.
UK (E/W) *Grant-maintained schools*	The FAS in England awarded a general budget whose amount was calculated on the same basis as in the public sector				Schools received an annual capital allocation, and could apply for FAS subsidies for important works
UK (NI) *Maintained schools*	The *Education and Library Boards* allocate a general budget whose amount is calculated on the same basis as in the public sector				The DE (NI) provides an allocation whose amount is calculated on the same basis as in the public sector
UK (NI) *Grant-maintained integrated schools*	The DE (NI) allocates a general budget whose amount is calculated on the same basis as in the public sector				The DE (NI) provides an allocation whose amount is calculated on the same basis as in the public sector
UK (NI) *Voluntary grammar schools*	The DE (NI) allocates a general budget whose amount is calculated on the same basis as in the public sector. Preparatory departments are funded at 30% of approved teaching costs, while the remainder is met by fees charged to parents				The DE (NI) allocates up to 100% of capital funds depending on the contract established with the school
UK (SC)	Not applicable				
EFTA/EEA					
IS	The municipality covers between 50% and 90% of the costs			No subsidies	The municipality awards a subsidy covering a major share of requirements
LI primary	The municipalities award a subsidy whose amount varies				
LI secondary	The municipalities award a subsidy whose amount varies				
NO	The government awards a subsidy of around 85% of the subsidies awarded by municipalities to their schools				No subsidies

Source: Eurydice.

Additional note

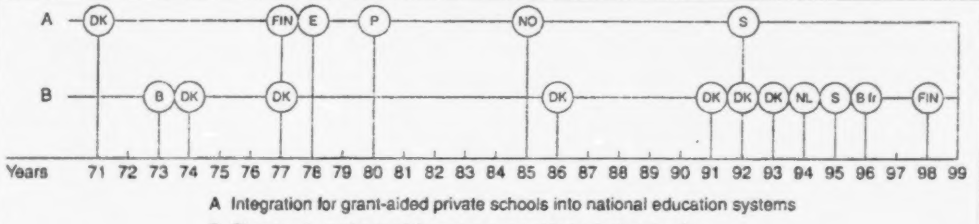
United Kingdom (E/W/NI): The change in status of the *grant-maintained schools* (which are now *foundation schools*) has led to the dissolution of the *Funding Agency for Schools* (FAS). It should be borne in mind that the *grant-maintained schools*, the *voluntary controlled schools* and the *voluntary aided schools*, which are regarded as grant-aided private schools for the purposes of the present discussion, are considered as belonging to the public sector in their own country.

B.2. HISTORICAL ANALYSIS

In a certain number of countries, the situation described for the 1997/98 reference year is virtually identical to the one that existed at the start of the period under consideration. This applies to Germany, Greece, France, Ireland, Luxembourg, Austria, the United Kingdom and Liechtenstein. Minor differences only may also be noted in Belgium and the Netherlands. The biggest changes have been witnessed in Spain and Portugal with their relatively recent Constitutions, as well as in the Nordic countries, apart from Iceland. In Italy, a law on 'equivalence in schooling' which defines the position of private schools within the national education system as a whole was enacted in March 2000. In Liechtenstein, there are proposals for making legislation on the setting up and financing of private schools more flexible.

For the best possible grasp of changes in the various countries, reforms are distinguished in terms of their underlying objectives. We shall examine, first of all, those which place the integration of grant-aided private schools and national education systems on a firm legislative footing. Consideration will then be given to more technical changes concerned with ways of funding the grant-aided private sector.

FIGURE 1.12: DATES OF THE MAIN REFORMS IN THE FINANCING OF GRANT-AIDED PRIVATE EDUCATION, BETWEEN 1970 AND 1999



A Integration for grant-aided private schools into national education systems

B Changes in methods of financing grant-aided private schools

Source: Eurydice.

B.2.1. Integration of grant-aided private schools into national education systems on a legislative basis

In a first group of countries, it is generally accepted that grant-aided private schools make a contribution to educational provision on the same footing as that of public-sector schools. This is the case in Denmark, Germany, Spain, Austria, Portugal, the United Kingdom (except Scotland) and Liechtenstein.

In Denmark, it is recognized in the Constitution that private schools constitute a necessary alternative to public-sector provision. In Germany, the Basic Law rules out the idea that education should be the monopoly of the State. Via their own form of educational provision, Churches and other community groups are involved in the development of society, which promotes competition and innovation in education. In Austria, schools which conform to the necessary criteria have public law status *(Öffentlichkeitsrecht)* and are equivalent to public-sector schools. Since 1962, a concordat with the Vatican has guaranteed that Catholic private schools receive a public subsidy. At that time, schools received only 60% of the salaries of their teachers but, since 1971, this remuneration has been fully covered. Later, this entitlement to total compensation for the payment of teachers' salaries was extended to all legally recognized religious communities. Similarly, in Liechtenstein, the government may grant public law status to schools satisfying certain conditions.

In the United Kingdom (England and Wales), the *voluntary controlled schools* and *voluntary aided schools* have been part of the national education system since 1944. In addition, legislation in 1988 in England and Wales and 1989 in Northern Ireland introduced new categories of schools: *grant-maintained integrated schools* in Northern Ireland which were designed to provide institutions where Catholic and Protestant children could be educated together and, in England and Wales, *grant-maintained schools* and CTCs. The latter were private schools within the independent school classification, which were nevertheless directly financed to a very large extent by government public funds. They have had to follow the national curriculum but with a special emphasis on technology. The sponsors or promoters who established the schools had to make a substantial contribution to expenditure on buildings and equipment. The CTCs were set up in particular to encourage involvement in education on the part of business and industry. Yet the initiative turned out to be less attractive than had been hoped and just 15 CTCs came into being in England only. The grant-maintained status attributed in 1988 to schools whose governing body had opted for independence from LEA oversight, as well as to former *independent schools*, may also be regarded as a way of developing grant-aided private education defined as private-sector management of education financed from public funds. However, grant-maintained school status was abolished in 1998. Most of the schools involved have now acquired the new status of *foundation school* and, although they are once more funded by the LEAs, they retain a high degree of autonomy. *Grant-maintained integrated* status still exists in Northern Ireland

The same kind of situation is apparent in the legislation in Spain and Portugal. In Spain, the 1978 Constitution and the 1985 law for its enforcement provide for an integrated network of public-sector and grant-aided private schools governed by contract. The need, in Portugal, to satisfy the growing demand for basic education after the overthrow of the dictatorship led inevitably to negotiations with private schools willing to take over from the public sector, by enrolling all pupils in their area. Since 1980, schools for private and cooperative education under government contract, which comply with the same principles, aims and forms of organization as public-sector schools, are considered to belong to the school network.

In a second group of countries (Belgium, France, Italy and the Netherlands), the financing of private education gave rise to major conflict between the partisans of public-sector schooling and supporters of grant-aided private education.

Back in 1917, the Netherlands resolved a dispute known as the 'school war'. In this country, education was a central aspect of the so-called *verzuilling* system which divided society into four socio-political pillars, namely the Protestants, Roman Catholics, socialists and liberals. During the school war, Protestants and Roman Catholics maintained they had to pay for education twice over: first, via fees paid to private schools and secondly in taxes, revenue from which financed the public-sector schools. The 1917 agreement ensured that grant-aided private schools satisfying the legal requirements were financed in the same way as public-sector schools. Since then, the number of these grant-aided private schools has risen considerably.

Belgium, like the Netherlands, is organized around three major political families: the socialists, Christian democrats and the liberals. The 'school war' that broke out there was based on questions of principle. According to Catholics, the Church was entitled to provide education, for which it had to obtain the necessary financial support, while the State could only play a supporting role if private initiative was found wanting. The secular conception, on the other hand, claimed that state education, if not constituting a monopoly, should at least account for the greater part of provision, and was opposed to the award of subsidies to private schools. After various legislative measures, the tension was resolved in 1959 by means of an extensive compromise agreement known as the *pacte scolaire* (school covenant), which resulted in what has remained an uneasy 'school truce'.

France also experienced conflict linked to the financing of private education, if not its very existence. When the Left came to power in 1981, the public financing of private education was called into question. A 1984 draft law even proposed bringing the public and private sectors closer together. Supporters of private schooling reacted so vigorously to the proposals that they were withdrawn. A growing deficit in subsidies due to private schools, which had remained unpaid since this period, was disbursed in full in 1992. In a separate development, a 1994 law, whose main provisions were however overruled by the Constitutional Council, sought to abolish the upper limit placed on the financing of investment in contract-regulated private education by local and regional authorities.

A similar conflict, which was longer and more intense, occurred in Italy where grant-aided private schools (the *scuole parificate*) had the same legal status as public-sector schools. However, the laws which had long regulated the financing of the *scuole parificate* dated from before the (1948) Constitution, and related solely to schools providing education in regions in which a public-sector service was hard to implement. This was because, for over 50 years, tensions between the different political forces obstructed any new regulation, as the Constitution ruled that private bodies could run schools as long as they did so at no cost to the State. The Constitution also stipulates that respect for the equality principle means the former has to ensure similar treatment for all pupils. As a result, Catholic schools have for years demanded increased funding. A very recent law (2000) on 'equivalence' in schooling has finally settled this issue. It formally acknowledges as a public service, educational activity on the part of local authorities and private persons, which complies with general regulations and is of a quality and effectiveness consistent with sound educational results. Any private school or school administered by a local authority that meets these requirements is officially regarded as *parità* (equivalent) and, as a result, able to award qualifications which are recognized in law.

Schools in this category are part of the national system of education and have to accept anyone seeking admission to them. Their educational proposals include reference, as appropriate, to their cultural or religious leanings without placing pupils under any obligation to take part in extra-curricular activities normally intended for those who adhere to a particular ideology or denomination. The law has provided for a funding mechanism compatible with the Constitution. Public-sector contributions to the *parificate* (private-sector schools already in existence) are being increased, and funding arrangements are being adopted to broaden the choice of schools available to parents, irrespective of whether their child is attending a public-sector establishment or another school recognized as equivalent.

Finally, in a third group of countries (Greece, Luxembourg, Finland, Sweden, Iceland and Norway), education has long been considered the responsibility of the public sector, although with no restrictions on the provision of private education whose development has remained very limited because there is no legislation to support its public-sector funding. In Greece, private schools are not grant aided. And in Iceland, such schools are not entitled to apply for public funding, and thus rely on grants that municipalities may award them.

However, two other Nordic countries have recently revised their legislation to offer private schools a statutory basis for their financing by the public sector.

A 1985 law in Norway provides for the founding and running of grant-aided private schools. It states clearly that the public authorities can subsidize schools offering an alternative form of teaching. It seeks to ensure that teachers in the private sector receive similar treatment to those in public-sector schools (as regards salaries and working conditions). Since 1985, the number of private schools has tended to increase although, relatively speaking, they still only account for a very modest proportion of schools as a whole.

In Sweden, a law dating from 1992 provided fresh opportunities for the setting up and running of private schools. It has had a considerable impact on the way they are financed, since they are grant aided by municipalities in the same way as those in the public sector. For every pupil attending a grant-aided private school, the municipality in which he or she is resident has to contribute a standard allocation for staffing and operational expenditure. Since the law was introduced, the number of private schools has tended to increase but, as in Norway, the public sector accounts for easily the largest proportion of pupil enrolment. There are big variations in this respect from one municipality to the next. In some, almost one-third of all pupils attend grant-aided private schools while, in others, such establishments are virtually non-existent.

B.2.2. Changes in the way grant-aided private schools are financed

All reforms which have altered the financing of grant-aided private education have led to the procedures involved becoming increasingly consistent with those adopted in the public sector.

A 1973 law in Belgium resulted in teachers in grant-aided private schools benefiting from the same conditions of remuneration as those enjoyed by their public-sector counterparts. It stated that the salaries of the former had to be equal to those in the public sector when weighted to include the various benefits to which state school teaching staff were entitled. Following the full transfer of many powers to the Communities in 1989, this policy continued. Although, in the French Community, there are still persistent differences in the financing of capital expenditure by schools, depending on the particular sector to which they belong, several recent measures apply across the board irrespective of the sector concerned. For example, the 1996 decree establishing an emergency fund for school buildings excludes any reference – in the terms governing the availability of emergency programme financial resources – to criteria which were formerly all-important in this respect, namely the sector, the nature (denominational or non-denominational) of a school, or any other feature with which the body responsible for administering it might be identified.

In Denmark, the law of 1974 introduced the payment of a municipal contribution for pupils at grant-aided private schools to prevent pupil flows between public-sector and grant-aided private schools in a municipality from having an impact on its finances. Of particular relevance here was the payment by central government to public-sector schools of a sum that depended on the level of municipal income. In municipalities in which this contribution was modest, any movement of pupils from public-sector to private education (until then funded by the government) led to a considerable decrease in municipal expenditure on education. Other measures led to a gradual increase in the financing of private schools, in particular in 1971 and then in 1977. In 1986, a new funding plan was introduced. It converted the operational grant into part reimbursement, part subsidy whereas, previously, schools had been reimbursed in accordance with their real expenditure. In 1991, the funding mechanism was again changed with the introduction of a grant based on the number of pupils in the case of operational allocations and then, in 1993, the introduction of a per capita grant for capital expenditure. In 1992, grant-aided private schools received municipal subsidies for their expenditure on school-based leisure time activities, which public-sector schools offered free of charge. Even though the financial flows were not the same, the amount of public-sector funding for private sector schools thus steadily approached that of public-sector establishments, while the fees that the former charged their pupils enabled them to supplement their public financial assistance and secure a comparable level of resources.

The aim of the 1994 reform in the Netherlands was to make municipalities responsible for ensuring fairness in the fairly modest financial assistance they awarded public-sector and grant-aided private schools. Previously, the latter received a compensatory payment irrespective of their real needs, each time a municipality allocated financial support to one of its own schools.

The same concern that the needs of schools should be taken into consideration in the award of subsidies to grant-aided private schools was behind the 1995 Swedish reform. The per capita grant had to be replaced by a subsidy that was more in keeping with the needs of the school. The search for a balance between the funding of public-sector and grant-aided private schools also underlay a measure introduced in 1992 in Norway, which limited fees so that the total amount received from public subsidies and fees combined was not greater than that available for public-sector schools.

The 1998 law in Finland has placed private and public-sector schools on the same footing within the education system. It regulates education in its entirety, regardless of whether the educational service provider is the municipality, a federation of municipalities or a private body. The setting up of a private school is dependent on authorization from the government and acknowledgement of a special educational or cultural need. While private schools established before 1 August 1998 are funded in exactly the same way as public-sector schools, those set up after that date receive only 90% of the amounts awarded in the public sector.

B.3. CONTEXTUAL ANALYSIS

The historical analysis bears out a hypothesis already formulated in the description of the situation in 1997/98. In most European Union and EFTA/EEA countries, grant-aided private education complements public-sector education by offering an alternative ideology or form of teaching.

B.3.1. The complementary relationship between the public and grant-aided private sectors

The major changes introduced in the last 30 years are mainly the result of a wish to incorporate schools run by private bodies and financed by public funds into the national education system. Conflict between supporters of public-sector and grant-aided private schools seems to be waning. Even in the Nordic countries where, with the exception of Denmark, the conviction that public-sector education is capable of satisfying all needs and compatible with all kinds of pupil is very strong, a tendency for schools administered by private bodies to be brought within the national system is becoming gradually more apparent.

For the Norwegian authorities, the issue was primarily ideological. It was important that, in a democracy, it should be possible to found and administer private schools that were separate from the public sector, thereby offering an alternative form of education. In Finland, increased scope for private-sector education diversified educational opportunities for certain minority groups. Several factors lay behind the emergence of private education, including economic recession and the influence of practice (involving private-sector education) in other countries. In Sweden, the 1992 measure came at a time of decentralization and very extensive deregulation of government responsibilities to the municipalities, as well as a period of severe economic crisis.

Up to a point, this trend may definitely be attributed to an erosion of confidence in the all-powerful State. However, it may also be partly explained by the tendency for the public sector in these countries to decentralize decision-making on the acquisition of goods and services to schools (see Chapter 2).

The upshot of this is that arrangements for financing public-sector schools are becoming increasingly similar to those encountered in the private sector.

A final reason for the trend may be that some governments tend to intervene primarily when it comes to defining objectives and inspecting and monitoring school performance, while leaving to intermediate bodies, or even the schools themselves, all questions concerned with the resources that have to be mobilized to get the required results. Once these resources are no longer managed by central government, or even by local authorities, but by school boards themselves, there are no special grounds for excluding schools run by private bodies from the school system, provided they are committed to the pursuit of national objectives.

B.3.2. Competition between public-sector and grant-aided private schools

Just as when the free choice of a school is at issue, it is important to consider not only possible legal restrictions on the founding of private schools, but financial incentives which might lead public-sector schools to improve the quality of their provision so as to retain their pupils. From this angle, analysis of funding mechanisms is essential. In some cases, where a pupil leaves a public-sector school for a grant-aided private one, there are no implications whatever for the funding of the former. On occasions, the effect is not immediate but the departure of many pupils eventually has an impact on resources and especially the allocation of teaching staff. In other instances, the relation is a direct one, with a reduction in resources for each pupil who leaves the school. Any consideration of competition between public and private sectors thus involves identifying circumstances under which the departure of a pupil from a public-sector school to a grant-aided private one results in an immediate loss of resources, either for the municipality that administers the former, or for the school itself.

In all European Union and EFTA/EEA countries, a system of this kind in which 'the subsidy follows the pupil' is to be found in Belgium, the Netherlands, Finland and the United Kingdom (except Scotland). In these countries, whenever a pupil moves from a school administered by a public law body (such as a municipality) to a grant-aided private school, sooner or later this will imply a reduction in resources for that public body. The reason for this in Belgium, the Netherlands and Finland is that school administrative bodies, whether they are public or grant-aided private bodies, receive per capita funding from the central government or, in Belgium, the appropriate Community (see Chapter 3). In the United Kingdom (England, Wales and Northern Ireland), the schools which are defined by this study as grant-aided private schools are publicly funded on either the same or a very similar basis as other schools, that is largely on a per capita basis. They are in fact considered to be an integral part of the state education sector and all schools, irrespective of their sector, are therefore potentially competing with each other to maintain their enrolment levels. However, it is worth pointing out that funding related to the number of pupils is not necessarily reduced as soon as a pupil leaves for another school. The usual practice is to adjust the figures at the start of the following financial year, although some authorities do make in-year adjustments.

In Denmark, where municipalities are exclusively responsible for schools, the system is different. As already mentioned, the government finances grant-aided private schools in accordance with a specific amount awarded for each pupil enrolled. In addition, every municipality pays the government a standard contribution for each of its resident pupils enrolled in a private school. On the other hand, municipalities do not necessarily finance public-sector schools on a per capita basis.

From the standpoint of funding mechanisms, there is therefore potential competition in the foregoing countries between the two sectors. In Finland, however, its development is limited by the still very strict conditions governing the establishment of grant-aided private schools. In Denmark, on the other hand, competition is the outcome of a deliberate policy conducted in the 1980s and 1990s. In the remaining countries (Belgium, the Netherlands and the United Kingdom), the development of the grant-aided private sector dates back well into the past.

When a pupil moves from one sector to the other in Sweden, there is no decrease in the resources of the municipality (which is exclusively responsible for financing schools within its area of jurisdiction). Each municipality conducts its own policy for the distribution of funding, and so determines whether or not competition between schools will be encouraged. Where a municipality awards each of its schools a block grant whose amount broadly depends on the number of pupils (to cover resources for staff, as well as operational and sometimes capital resources), the schools concerned are potentially in competition to protect their levels of enrolment.

In the other countries, arrangements for financing the public sector, as opposed to grant-aided private schools, are largely separate. While pupils leaving the former may lead to a redistribution of resources among the different bodies responsible for their allocation (such as the *académies* in France), any such trend has no direct effect on the overall amount of resources allocated to this sector. Funding mechanisms do not in themselves, therefore, stimulate competition between sectors. Of course, this does not rule out the impact of other mechanisms, such as the reputation of a particular school, or a desire to keep pupils from all social milieux within the public sector, etc.

If, therefore, competition is to occur between the public and private sectors and the development of private schools is to act as a spur to those in the public sector, there has to be a funding mechanism in which grants follow pupils when they leave the public for the private sector. (This is a necessary condition but insufficient on its own, as will be discussed in Chapter 6.)

IV. CONCLUSIONS

This chapter has examined the way in which the European Union and EFTA/EEA countries put into practice two principles, namely the right to education and freedom in education. It has demonstrated that issues related to free or compulsory schooling, which ensure that the right to education materializes, appear to have been resolved in most countries.

Schooling free of charge is a reality in that no school fees are payable in any part of public-sector education. As to related goods and services such as books and transport to and from school, most countries bear the necessary costs, either entirely or in a way that is linked to parental income. Very few reforms have occurred in this area during the period under consideration.

As far as the period of compulsory education is concerned, the situation in the various countries has grown increasingly similar. A series of countries extended this period to last nine years during the 1970s, and some have increased it further to ten years in the 1980s or 1990s. At present, nine or ten years of compulsory schooling is the norm in most countries.

The principle of freedom in education has been dealt with here from the two angles of freedom to choose a school and the financing of grant-aided private schools. Reforms concerned with these two aspects have occurred in a limited number of countries, and differences between countries at the present time remain largely attributable to cultural traditions.

Freedom to choose a school may mean one of three things. First, the right of parents to request that their child attend a school other than the one designated by the public authorities; secondly, their freedom to choose between several schools in which enrolment levels may then be adjusted by the public authorities; and, thirdly, total parental freedom with no public intervention. The few countries which have amended their legislation in this area have opted for one of the first two models, whereas the third is encountered solely in countries in which the position of grant-aided private education in school provision has traditionally been highly significant.

Finally, as regards the financing of grant-aided private education, this has been subject to changes in nine countries. In all of them, the aim has been to boost the level of funding so that grant-aided private schools can operate satisfactorily, either as a form of alternative educational provision complementing that of the public sector or, less frequently, as a form of provision that enters into direct competition with it.

CHAPTER 2

THE DIVISION OF RESPONSIBILITIES, AUTONOMY OF LOCAL AUTHORITIES AND SCHOOLS

I. INTRODUCTION

A. ISSUES AT STAKE

Since the start of the 1980s, determination to improve the efficiency of schools has grown steadily stronger in most European Union and EFTA/EEA countries. In some cases, this has been part of a process intended to curb and lessen the overall costs of education. In others, the aim has been to enhance the quality of educational provision without however increasing budgetary resources for it. This strong desire to raise cost effectiveness has been behind moves in many countries to reconsider the sharing of responsibility between the different bodies involved in financing schools, generally with a view to increasing the financial autonomy of the latter or, in some cases, of the intermediate authorities closest to them – the municipalities.

It is often argued that the autonomy of schools or municipalities should be increased because it brings decision-making power closer to the point at which needs make themselves felt. Where this occurs, it would certainly appear that all those involved in the local educational community are more fully aware of the needs of schools and able to adapt the resources available accordingly. Understanding the particular circumstances of schools is even more important in so far as they practise a discriminating form of teaching which takes the needs and wishes of pupils into account. The more varied the procedures for organizing and providing courses in different schools – but also within schools and even classes – the more it makes sense to ensure that resources match their purpose in each individual case.

Attention may also be drawn to another argument in support of the autonomy of schools or municipalities. In so far as central government or another top-level authority responsible for education remains the main source of funding, financial autonomy leads to the conversion of resources generally allocated in the form of services (staff) or goods (facilities) into a cash subsidy managed by the school or the municipality. For the central authority, this system of subsidy has the advantage of enabling better costs forecasting: a system in which the State covers school expenditure on the basis of formal requirements or regulations is replaced by one in which it spreads the entire budget across the schools. Details regarding these mechanisms are set out in Chapter 3 on how the amounts of resources are determined. However, even at this stage, it is not hard to appreciate the special significance for public funds, of the financial autonomy of schools and intermediate authorities: the financial risk inherent in the management of schools is transferred to a lower level. The schools themselves have to bear any possible budgetary deficits.

That said, needs associated with rationalization are not solely responsible for schools developing greater financial autonomy. Social pressure aimed at stepping up the involvement of all interested parties in decision-making with a view to enhancing the quality of education, has also been very conspicuous in many countries since the end of the 1960s. This social involvement which has materialized in the gradual establishment of decision-making bodies in schools has, in several countries, long centred on non-financial matters, such as the organization of teaching, timetables or extra-curricular activities. The growth within these bodies of decision-making powers in the management of resources is generally more recent.

B. DEFINITIONS

In the broad sense, autonomy may be defined as the possibility for a body to take decisions without consulting any authority at a higher level. More specifically, **financial autonomy** is the situation of a body which freely manages its resources. In general, the receipt of resources in cash and the ability to undertake the acquisition of staff, goods and services independently are indicative of financial autonomy.

Financial autonomy is the outcome of various processes: a comprehensively global approach to the allocation of resources, the decentralization of decision-making, delegation and deregulation.

A **global approach to resource allocation** involves grouping under a single heading two or several forms of allocation previously awarded separately. It increases the financial autonomy of the body which receives the subsidy in enabling it to spread the amount as it wishes across different resource categories.

Decentralization of decision-making is the transfer of a decision-making responsibility from the top-level authority for education to the school or an intermediate authority with legal autonomy, or from an intermediate authority to the school. However, the transfer of any responsibility borne by the top-level authority towards one of its own regionally or locally situated departments or outposts should not be confused with decentralization. The former kind of arrangement, which exists in countries such as France and Portugal, is only encountered where national education authorities have locally-oriented administrative divisions.

Delegation of decision-making is the transfer of any decision-making activity from a higher-level authority to the school. It differs from decentralization in so far as the former retains responsibility for decisions so taken and may reclaim its rights in this respect at any time.

Deregulation is the abolition of formal state requirements and regulations intended to govern the management or distribution of resources for schools. It occurs alongside the setting up of decentralization mechanisms for the acquisition of staff, goods and services and/or the sharing out of resources among schools.

At the same time, financial autonomy, or the ability to decide how funds should be used in the acquisition of staff, goods and services, is subject to certain legal limits which vary in accordance with the arrangements in force.

Some of these restrictions relate to **the range of responsibilities** borne by a body accorded financial autonomy. In certain cases, such autonomy applies to several or all resource categories (staff, operational goods and services, capital or miscellaneous resources); in other instances, it is applicable to only a single category, usually operational goods and services. As defined, financial autonomy entails consideration of the scope for acquiring staff, goods and services which is provided by a cash subsidy, but also for managing resources in the form of services, such as a given number of hours of teaching. Further details regarding this kind of resource allocation will be included in Chapter 3 on how the amounts of resources are determined.

Other restrictions concern the **ability to determine the scale of a budgetary heading** which in turn depends on the extent to which there is a global approach to resource allocation. For example, the room for manoeuvre of two schools free to decide how they use their resource allocations for staff and operational activity will depend on whether the two kinds of allocation are strictly separate, are basically separate but with some scope for transfer (in terms of individual items or a fixed proportion of the budget), or subsumed under a comprehensive budgetary heading. In this latter case, the transfers operable across the various sub-headings increase the room for manoeuvre of those who may decide how much they earmark for each of them. In the case of municipalities, the allocation may often cover headings other than education. The financial autonomy of such bodies may thus include the ability to determine the general budget for education.

Some legal limits also derive from **other legal restrictions** affecting the room for manoeuvre of a particular body responsible for the acquisition of staff, goods and services or the management of staff resources. Salary legislation, formal pupil/teacher ratio requirements, or safety and hygiene regulations may all considerably reduce the scope for decision-making.

C. CONTENT OF THE CHAPTER

Section II of this chapter is given over to a description of the situation during the year of reference (1997/98).

Chapter 2, point II.A examines the **way in which responsibility for the acquisition of staff, goods and services is shared among the different authorities concerned**. It explains which body undertakes the acquisition of goods and services for each category of allocation (staff, operational goods and services and capital). It compares countries in terms of how far decision-making is widely spread or concentrated. It also examines differences between primary and lower secondary education.

Chapter 2, point II.B is specifically concerned with **the part played by local authorities** and their room for manoeuvre. While they are prominent in financing schools in many countries, the extent to which they are autonomous depends on whether they are able to:

- manage the award of resources for staff, goods and services for schools using a specific fixed amount of money;

- establish the scale, or volume, of one or more budgetary headings for which they are responsible and award resources for staff, goods and services to schools;

- establish the scale (volume) of one or more budgetary headings, and decide themselves whether they will delegate all or part of the acquisition of staff, goods and services to schools.

Chapter 2, point II.B also identifies legal requirements affecting the scope for decision-making on the part of local authorities that possess a certain degree of autonomy. It distinguishes between requirements relating to the distribution of resources among schools by those authorities (for example, an obligation to delegate to schools the acquisition of staff, goods and services corresponding to any amount up to a given maximum percentage of the general budget), and requirements relating to school operational activity, such as pupil/teacher ratios, salary scales or health and safety regulations.

Chapter 2, point II.C examines the **financial autonomy of schools**. It identifies the extent of their responsibilities as regards the acquisition of goods and services and the management of staff resources in the various countries, and examines how far they are entitled to establish the scale of one or more budgetary headings. The room for manoeuvre of a school may also be increased if it is able either to take part in determining the general scale of resources allocated, in particular by drawing up a provisional budget submitted to a higher authority, or to raise funds on its own initiative. However, both these points are analysed in Chapters 3 and 5.

Section III of Chapter 2 analyses the reforms that have gradually transformed the way responsibilities are shared out among the different bodies concerned in the last 30 years. In so far as they are the most commonly encountered processes, special attention is drawn to procedures involving more globally comprehensive forms of resource allocation, or decentralization or delegation of the acquisition of goods and services, or the management of staff resources, as well as any process of deregulation aimed at abolition of national regulations or requirements. However, measures to introduce more centralized arrangements are not overlooked, even though they are relatively infrequent in the period under consideration. This presentation of the reforms is accompanied by an analysis of their aims and the context in which they got under way. Chapter 2, point III.A examines **transfers of responsibility between the public authorities** (central or federal government, and local authorities), while Chapter 2, point III.B analyses **decentralization to schools**. Chapter 2, point III.B also looks at changes in some of the factors closely related to school autonomy, including changes in status, size and the preparation of the various individuals or interested parties (head teachers or school bodies with mixed representation) for their new duties.

II. DESCRIPTION OF THE CURRENT SITUATION

A. SHARING OF RESPONSIBILITY FOR THE ACQUISITION OF STAFF, GOODS AND SERVICES

A.1. DEFINITIONS

The goods and services discussed in this chapter relate to all the resources necessary for schools to carry out their educational activities. They have been divided into three main categories (staff, operational goods and services (1), and capital) whose precise content has been defined in Section 1 of the General Introduction. Here, we consider public-sector schools, as well as grant-aided private schools in Belgium, the Netherlands and Ireland where they account for a very high proportion of all primary and secondary establishments.

The acquisition of goods and services corresponds to the stage at which resources in cash are converted into resources in kind. At this point, staff are remunerated, invoices for the purchase of operational goods and services are honoured and capital investments are actually carried out. The body that administers this acquisition is not necessarily the one that funds it. Financial transfers between bodies, most frequently from the highest level of educational authority to the most decentralized one, ensure that the financial resources required are available (see the diagrams illustrating financial flows in Section 3 of the General Introduction).

The aim of Chapter 2, point II.A is to describe the bodies that undertake the purchase of goods and services used in primary and lower secondary schools. It also considers the issue of which body really finances the acquisition of these goods and services, via an examination of the financial transfers between administrative structures. It does not address the question of their autonomy, or their room for manoeuvre in the course of management, which is dealt with in the subsequent sections (see Chapter 2, points II.B and II.C).

A.2. MAJOR BUDGETARY HEADINGS

A.2.1. Teaching staff

In general, countries may be classified in terms of the administrative level of the body that remunerates teaching staff. Three major groups have been identified. The same body generally handles teaching staff remuneration at both levels of education (2).

In a first group of countries, the remuneration of teaching staff is the responsibility of the central government or other top-level educational authority. This applies to Belgium (the Communities), Germany (the *Länder*), Greece, Spain (the Autonomous Communities or central government), France, Italy, Luxembourg (except in the case of non-tenured teaching staff in primary education who are remunerated by the municipality) and Liechtenstein. In Ireland, remuneration of teachers in most schools is the responsibility of the central government. However, in the case of the public-sector *vocational schools* and *community colleges*, this responsibility is assumed by an intermediate body, namely the *Vocational Education Committee* (VEC) of the local authority concerned. In Austria, teachers in the *allgemeinbildende höhere Schulen* are paid directly by the federal government.

The remuneration of teaching staff in a second group of countries is the responsibility of an intermediate authority. Thus in the case of schools offering the first stage of *ensino básico* (basic education) in Portugal, regionally-based branches of the Ministry known as the *Direcções regionais de*

---

(1) The contribution of teaching and non-teaching staff is a service they provide to their school, which enables it to function and whose cost is their salary. This is why the remuneration of teachers in some studies is considered as belonging to the general category of 'operational expenditure'. It is regarded as a category in its own right in this study, in the interests of clarity. Operational services are those offered to a school by third parties (plumbers, gardeners and maintenance staff), who do not have an employment contract with it (but to whom work may be contracted out).

(2) In many countries, the remuneration of teaching staff is covered by collective bargaining agreements (see Chapter 2, point II.B).

BEST COPY AVAILABLE

educação (DRE) perform this task. In Austria, for the primary schools, as well as the *Hauptschulen* and *Polytechnische Schulen,* teachers' salaries are financed by the federal government and paid by the *Länder.* In the United Kingdom (Scotland), the local authorities meet the teachers' wage bill, as do the municipalities in Iceland and, in most cases, Norway.

In the third group of countries, teachers are remunerated directly by schools, as happens in the Netherlands and Portugal (in the second and third stages of *ensino básico*). In the United Kingdom (England, Wales and Northern Ireland), salary costs are met from the school's own budget but, for most categories of schools, payments are administered by the local authorities or, in Northern Ireland, the Department of Education (Northern Ireland), DE (NI).

In Denmark, Finland and Sweden, the situation varies depending on the municipalities, some of which delegate this responsibility to schools.

A.2.2. Non-teaching staff

In some countries, the remuneration of teaching and non-teaching staff is undertaken by the same body, as in Denmark, Greece, the Netherlands, Austria (for the *allgemeinbildende höhere Schulen* only), Portugal, Finland, Sweden, the United Kingdom and Iceland. In Spain and Italy, this similarity applies to administrative and managerial staff and, in France, Luxembourg and Liechtenstein, to non-teaching staff in lower secondary education. What happens in Belgium depends on the Community, the type of school and the level of education.

The sources for remuneration of non-teaching staff in other countries are different, and generally closer to those responsible for the acquisition of school operational resources (see Chapter 2, point II.A.2.3). This is so in Ireland (except in the case of schools in receipt of grants from the Department of Education and Science for the payment of secretarial staff and caretakers), Germany, Greece, Spain, and Italy with regard to maintenance staff (¹), in primary education in France, Luxembourg and Liechtenstein, and in Austria for the primary schools, the *Hauptschulen* and *Polytechnische Schulen.*

The situation in Norway depends on the municipalities, some of them delegating this responsibility to the schools.

A.2.3. Operational goods and services

Responsibility for the acquisition of school operational goods and services usually lies with intermediate authorities or the schools themselves.

Intermediate authorities assume this responsibility in Germany (the municipalities or *Schulträger*), in Austria (the *Gemeinden* in the case of the primary schools, *Hauptschulen* and *Polytechnische Schulen*) and in Iceland (the municipalities). In the case of primary education, this also applies to France (the municipalities), Luxembourg (the municipalities), Portugal (the *Municípios* for schools that offer the first stage of *ensino básico*) and Liechtenstein (the municipalities).

In Belgium, Denmark, Greece, Ireland, Italy, the Netherlands and the United Kingdom (²), the responsibility lies directly with schools. The same occurs in lower secondary education in France, Austria (in the case of the *allgemeinbildende höhere Schulen*) and Portugal (second and third stages of *ensino básico*). Schools also perform this task in Spain, except in the case of fixed costs, such as those for the supply of water and electricity, etc., which are paid for by the *Concejalía de educación* of the municipality on behalf of primary schools.

In secondary education in Luxembourg and Liechtenstein, this responsibility is shared jointly by the schools and the Ministry.

Finally, the situation varies again from one municipality to the next in Finland, Sweden and Norway, where municipalities may delegate these duties to the schools.

(¹) From the year 2000, maintenance staff are being paid for by the central government.

(²) However, in the case of the *controlled* and *maintained schools* in Northern Ireland, the *Education and Library Boards* undertake the purchase of operational goods and services whose cost is greater than GBP 3 000 (around EUR 4 890).

A.2.4. Capital investment

Some countries have extensively decentralized the responsibility for purchasing, others less so. In most cases, no distinction is made between the different kinds of investment.

The local authorities carry out all aspects of this task in Germany (the municipalities or *Schulträger*), Greece, France (municipalities in the case of primary education and *départements* for the *collèges*), Italy, Austria (the *Gemeinde* in the case of the primary schools, *Hauptschulen* and *Polytechnische Schulen*), Finland, Iceland and Norway. They do likewise on behalf of primary schools in Portugal and Liechtenstein and some schools in Sweden.

In Luxembourg, the government assumes this responsibility in the case of primary and secondary schools. In the French Community of Belgium, what happens depends on the particular category of school concerned.

In the other countries, there is a distinction depending on the kind of capital entailed and its amount. In the Flemish Community of Belgium, schools are responsible for the outward appearance of buildings, whereas the intermediate or top-level authorities handle other investments. In Denmark, minor investment is generally the responsibility of the schools, whereas large-scale investment falls within the competence of the municipality. Where maximum delegation occurs, even this may be delegated to the school. In primary education in Spain, some kinds of (capital) investment in durable goods are always borne by the *Concejalías de educación*, while others, depending on the amount, are the responsibility of the central government, the Autonomous Communities (major investment) or the schools themselves (minor investment). In lower secondary education, the *Concejalías de educación* are not involved in any form of resources management. In Ireland, the body responsible for the supply of durable goods depends on the nature of those goods and the kind of secondary school involved. Since 1999 in Ireland, the Department of Education and Science has been paying the full cost of school sites and leasing them back to schools.

In Italy, the *consiglio di circolo/d'istituto* is responsible for supplying teaching material, but the *consiglio comunale* handles matters relating to infrastructure. In Austria, in the case of the *allgemeinbildende höhere Schulen*, schools are responsible for minor investment, whereas large-scale investment falls within the competence either of the *Landesschulrat* (equipment), or the federal government (buildings). The distinction in the Netherlands is one between investments in movable assets (managed by the school) and those related to buildings (generally paid for by the municipality). A distinction is drawn between large- and small-scale facilities in schools providing the first stage of *ensino básico* in Portugal. Scottish schools, along with most others in the United Kingdom, share the responsibility for expenditure on durable goods with the public authorities. The schools handle supplies and equipment, while the intermediate or top-level authority is responsible for the construction of new premises and the structural maintenance and repair of existing premises.

A.3. OVERALL CLASSIFICATION OF SYSTEMS

The systems under discussion are highly complex and diversified. They display a great many individual characteristics which may derive from procedures that are different for primary and lower secondary schools, or vary with budgetary headings, or even their internal sub-headings. In some countries, schools have several kinds of status while, in others, management responsibilities may be delegated to schools by municipalities.

Three large categories of countries sharing certain common characteristics may, nevertheless, be identified.

Category 1: countries in which all acquisitions of staff, goods and services (whether of operational goods and services, or capital goods) employed by schools are carried out by a single decision-making level, whatever this may be.

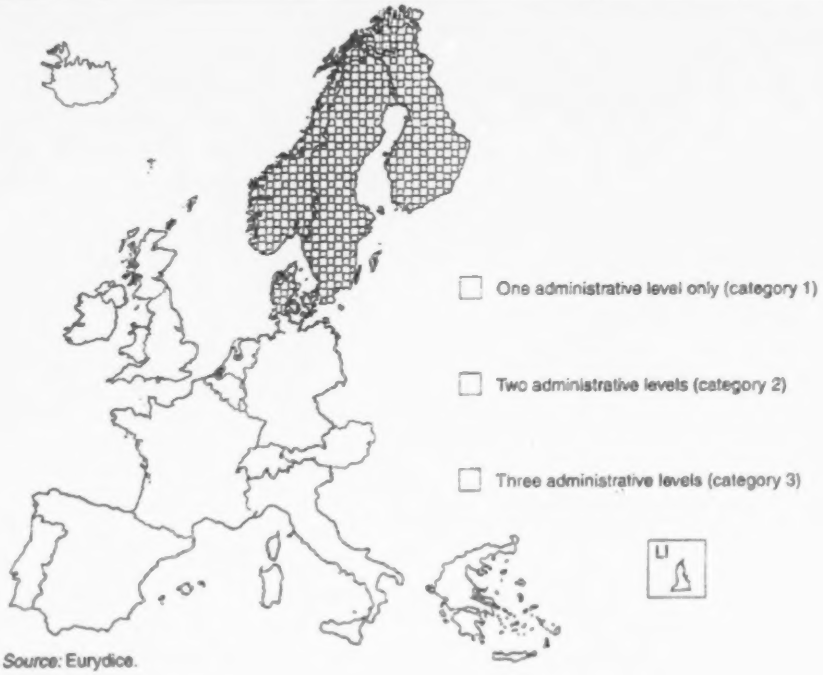
Category 2: countries in which bodies belonging to two different levels of decision-making (central and intermediate levels, central and school levels or intermediate and school levels) share responsibility for the acquisition of staff, goods and services used by schools, in accordance with criteria governing allocation of the goods and services themselves.

Category 3: countries where bodies at three different decision-making levels intervene in the acquisition of the staff, goods and services used by schools.

Depending on the level of education (primary or lower secondary), the bodies responsible for intervening vary, so that each level has to be analysed separately.

A.3.1. Primary schools

FIGURE 2.1: BREAKDOWN OF COUNTRIES INTO THREE CATEGORIES, IN ACCORDANCE WITH THE NUMBER OF ADMINISTRATIVE LEVELS INVOLVED IN ACQUIRING STAFF, GOODS AND SERVICES FOR PRIMARY SCHOOLS, 1997/98


☐ One administrative level only (category 1)
☐ Two administrative levels (category 2)
☐ Three administrative levels (category 3)
LI

Source: Eurydice.

Additional notes

Belgium (B fr, B de): Schools all belong to category 2, irrespective of whether they are administered by the Community, the provinces or municipalities, or whether they are grant-aided private establishments.
Belgium (B nl): Community and grant-aided private schools belong to category 2; schools administered by the provinces and municipalities belong to category 3.
Austria: Teachers' salaries are paid by the *Länder* and financed by the federal government.

Category 1: action taken by a single decision-making level

Denmark and Sweden belong to this category of country, in the case of schools to which municipalities have delegated their entire management control: the schools themselves handle the acquisition of all their goods and services. They pay the salaries of teaching and non-teaching staff, and meet the costs of ongoing operational services and supplies, as well as fixed and movable assets and facilities. Finnish and Swedish schools are also in this category, in cases where the municipality fully retains its responsibilities (¹).

In Austria, Portugal and Iceland, all school goods and services are always purchased by the intermediate authorities. The same applies to Norway at schools to which no responsibilities have been delegated by the municipalities. It should be noted that in Austria and Portugal, the task of acquiring staff, goods and services is not always performed by the same intermediate authority. Staff

---

(¹) This only rarely occurs in Finland.

remuneration in these two countries is paid for by the *Landesregierungen* and the DRE, respectively, while the remaining expenditure is borne by the municipalities.

Category 2: responsibilities shared by two decision-making levels

In the second category are many countries, including Belgium (Community schools, grant-aided private schools and, in the French Community, those administered by the provinces and municipalities), Germany, Spain, France, Ireland, Luxembourg, the Netherlands, the United Kingdom and Liechtenstein. In Denmark, Finland, Sweden and Norway, schools may assume some of the responsibilities of the municipalities.

In these countries, responsibility for the acquisition of staff, goods and services is shared between two bodies at different administrative levels. This division corresponds systematically to a distinction between the major categories of expenditure.

Within the Community schools in Belgium, all expenditure is borne by the top-level educational authority, with the exception of operational expenditure in the broad sense of the term (including, therefore, the purchase of movable capital goods) which is covered by the schools. This system of shared expenditure is the same in the United Kingdom (Scotland) where, however, an intermediate body (the local authority) remunerates staff and pays for fixed capital investment. In Spain, in the Autonomous Communities that do not yet exercise full powers in education, the *Direcciones provinciales de educación* shoulder most expenditure, with the exception of operational expenses that are borne partly by the schools, and partly by the *Concejalía de educación* of the municipalities. In Autonomous Communities which do exercise their full powers, the *Departamentos* or *Consejerías de educación* handle the tasks entrusted to the *Direcciones provinciales*.

The grant-aided private schools in Belgium are themselves responsible for the payment of all resources, except for teaching staff salaries, which are covered by the Communities. The situation is identical in Ireland, except in the case of non-teaching staff wages, which are paid by schools out of government grants.

In Germany, France and Liechtenstein, intermediate authorities (the municipalities or *Schulträger* in Germany, and the municipalities in France and Liechtenstein) cover all expenditure except the remuneration of teaching staff, which is the responsibility of the *Land* or central government. The situation is similar for schools administered by the provinces or municipalities in the French Community of Belgium, in so far as the latter cover all costs for educational purposes, except those incurred in the payment of teaching and administrative staff salaries, which are borne by the Community.

In Luxembourg, the government remunerates teachers and pays for fixed capital. Operational expenditure in the broad sense (salaries of non-teaching staff, operational costs and movable capital goods) is mainly borne by the intermediate authority. Tasks are similarly shared in Norway where, in the vast majority of cases, municipalities have remained responsible for teachers' salaries and the purchase of property (immovables), but can delegate the remaining acquisitions to schools.

In the Netherlands and the United Kingdom (England, Wales and Northern Ireland), all purchases of goods and services are carried out by the schools themselves, except for immovables and, in the case of *controlled* and *maintained schools* in Northern Ireland, the purchase of furniture and equipment over the value of GBP 3 000 (around EUR 4 890), for which the *Education and Library Boards* are responsible. Immovables are the responsibility of the *gemeente* in the Netherlands, and in the United Kingdom (England and Wales) the *Local Education Authorities* (LEAs) in the case of most schools, the Department for Education and Employment (DfEE) or Welsh Office (the National Assembly for Wales since 1999) for *voluntary aided schools*, and the *Funding Agency for Schools* (FAS) or Welsh Office in the case of *grant-maintained schools* (1). In Northern Ireland, the *Boards* are responsible for financing immovables in *controlled* and *maintained schools* and the DE (NI) for all other schools.

---

(1) The legal status of *maintained schools* was modified with effect from 1 September 1199. *Grant-maintained schools* no longer exist.

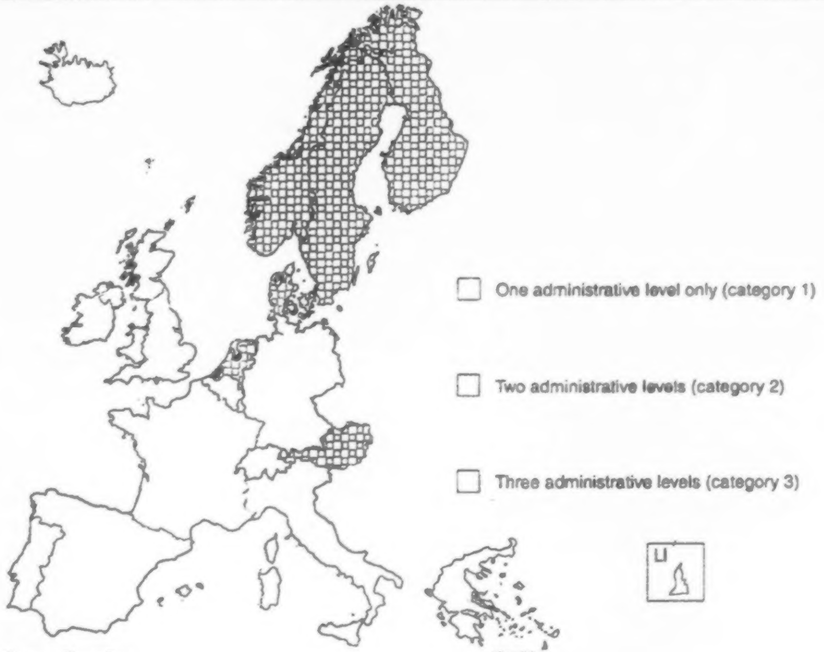
·171

Category 3: intervention by three administrative levels

In countries in the third category, authorities situated at three administrative levels are actively involved in the acquisition of goods and services. The top-level educational authority is responsible for paying (teaching and sometimes non-teaching) staff, an intermediate authority – the municipality – is responsible for (fixed and movable) capital investment, and schools cover their own operational costs. This is the situation in schools administered by the provinces and municipalities in the Flemish Community of Belgium, as well as in Greece and Italy.

A.3.2. Lower secondary schools

FIGURE 2.2: BREAKDOWN OF COUNTRIES INTO THREE CATEGORIES, IN ACCORDANCE WITH THE NUMBER OF ADMINISTRATIVE LEVELS INVOLVED IN ACQUIRING STAFF, GOODS AND SERVICES FOR LOWER SECONDARY SCHOOLS, 1997/98


☐ One administrative level only (category 1)
☐ Two administrative levels (category 2)
☐ Three administrative levels (category 3)
LI

Source: Eurydice.

Additional notes

Belgium (B fr, B de): Schools all belong to category 2, irrespective of whether they are administered by the Community, the provinces or municipalities, or whether they are grant-aided private establishments.
Belgium (B nl): Community and grant-aided private schools belong to category 2; schools administered by the provinces and municipalities belong to category 3.
Austria: The *Hauptschulen* and *Polytechnische Schulen* belong to category 1. Teachers' salaries are paid by the *Länder* and financed by the federal government. The *allgemeinbildende höhere Schulen* belong to category 3.

Category 1: a single decision-making level

In the Nordic countries, educational provision is integrated within a single structure. It is for this reason that they are included in the same categories as in the case of primary education (Chapter 2, point II.A.3.1), and that no further information about them is provided here. Besides these countries, category 1 also includes Austria as far as the *Hauptschulen* and *Polytechnische Schulen* are concerned, and some schools in the Netherlands. Indeed, in the latter, the municipalities are empowered to delegate the acquisition of immovables to schools, which carry out all other acquisitions themselves.

BEST COPY AVAILABLE

Category 2: sharing of responsibilities by two decision-making levels

This category includes countries in which a single body carries out all tasks relating to the acquisition of staff, goods and services, except one, which is performed by a body at another administrative level.

In Belgium (the grant-aided private schools), Germany and Liechtenstein, the central or highest educational authority covers the remuneration of all members of staff, or the great majority of them. The remaining responsibilities are assumed by the schools (in Belgium and Liechtenstein), or an intermediate authority (the municipality or *Schulträger*) in Germany, which also pays the wages of non-teaching staff. In Ireland, the government also remunerates staff, except in public-sector schools for which the intermediate body (the VEC of the local authority concerned) assumes this responsibility.

In schools administered by the Communities in Belgium, the top-level authority for education exercises full responsibility for the acquisition of staff, goods and services, with the exception of operational expenditure in the broad sense (including the purchase of movables) for which schools are responsible. This also applies to Spain, in which the *Departamento* or *Consejería de educación* undertakes the acquisition of goods and services up to a certain amount. The same division of responsibilities occurs in Ireland (for the *vocational schools* and *community colleges*), and in the United Kingdom (Scotland) where, however, an intermediate authority performs most of the tasks entailed.

Similarly, in Luxembourg, only operational goods are acquired by the schools. All other acquisitions of goods and services are undertaken by the government.

In the Netherlands (in some municipalities), Portugal and the United Kingdom (England, Wales and Northern Ireland), all goods and services are purchased by the schools, with the exception of fixed capital assets. These are the responsibility of higher administrative bodies. These bodies are the *gemeente* in the Netherlands, and the DRE and the municipalities in Portugal. In the United Kingdom, the situation is identical to the one described in the case of primary education (see Chapter 2, point II.A.2.2).

In the French Community of Belgium, the provinces or municipalities cover all educational costs in the schools they administer, except those incurred in the payment of teaching and administrative staff salaries, which are borne by the Community.

Category 3: involvement at three administrative levels

The third category includes Belgium (schools administered by the provinces and municipalities in the Flemish Community), Greece, France, Italy and Austria (the *allgemeinbildende höhere Schulen*).

In these five countries, the top-level authority for education sees to the remuneration of teaching staff and most (if not all) of the non-teaching staff. Operational costs are borne by the schools (and include the costs of maintenance staff in the Flemish Community of Belgium) while, with the exception of Austria, expenditure related to capital purchases is covered by an intermediate authority (the province or municipality in Belgium, the prefectorial local governments in Greece, the *département* in France and the *consiglio comunale* in Italy). The dividing line between operational and capital expenditure depends on the country concerned. The purchase of movable goods is bracketed with operational costs in Belgium but not in Greece. In Italy, the distinction depends on whether or not materials and facilities are related to teaching activity. In Austria, the *allgemeinbildende höhere Schulen* are responsible for the acquisition of operational goods and services, the *Landesschulrat* deals with the purchase of movable capital assets and the remuneration of non-teaching staff, and the federal government pays teachers and covers expenditure on fixed capital assets (immovables).

A.4. DIFFERENCES AND CONTINUITY BETWEEN PRIMARY AND LOWER SECONDARY SCHOOLS

The European Union and EFTA/EEA countries may be sub-divided into two main groups, depending on whether the bodies which undertake the acquisition of school staff, goods and services are the same in both primary and lower secondary education, or whether they differ in this respect.

Countries where compulsory education has a single continuous structure, with the exception of Portugal, belong naturally to the first group, but other countries without such a structure may also adopt arrangements under which the resources of both primary and secondary education are paid for by the same bodies.

Furthermore, the fact that two countries both belong to one and the same category out of the three enumerated in Chapter 2, point II.A.3, does not mean that their arrangements for acquiring resources are identical. The 'intermediate authority' category may cover several administrative bodies, while an intermediate authority intervening in a given situation may not be the one that does so in other circumstances. Figure 2.3 summarizes the bodies that undertake the acquisition of staff, goods and services for primary and lower secondary schools in the various countries.

FIGURE 2.3: BODIES UNDERTAKING THE ACQUISITION OF VARIOUS CATEGORIES OF SCHOOL STAFF, GOODS AND SERVICES, 1997/98

	STAFF, GOODS OR SERVICE CATEGORY	PRIMARY	LOWER SECONDARY
EUROPEAN UNION			
B fr, B de, B nl (schools administered by the Communities)	TEACHING STAFF	Community	Community
	NON-TEACHING STAFF	Community (and school)	Community (and school)
	OPERATIONAL RESOURCES	School	School
	MOVABLES	School	School
	PROPERTY (IMMOVABLES)	Bodies exercising delegated responsibility/ARGO	Bodies exercising delegated responsibility/ARGO
B fr, B de, B nl (schools administered by the provinces and municipalities) (1)	TEACHING STAFF	Community	Community
	NON-TEACHING STAFF	Community (and provinces or municipalities)/ schools	Community (and provinces or municipalities)/ schools
	OPERATIONAL RESOURCES	Provinces or municipalities/ schools	Provinces or municipalities/ schools
	MOVABLES	Provinces or municipalities/ schools	Provinces or municipalities/ schools
	PROPERTY (IMMOVABLES)	Provinces or municipalities/ schools	Provinces or municipalities/ schools
B fr, B de, B nl (grant-aided private schools) (2)	TEACHING STAFF	Community	Community
	NON-TEACHING STAFF	Community (and schools)	Community (and schools)
	OPERATIONAL RESOURCES	Schools	Schools
	MOVABLES	Schools	Schools
	PROPERTY (IMMOVABLES)	Schools/DIGO	Schools/DIGO
DK	TEACHING STAFF	School or municipality	
	NON-TEACHING STAFF	School or municipality	
	OPERATIONAL RESOURCES	School	
	MOVABLES	School or municipality	
	PROPERTY (IMMOVABLES)	School or municipality	
D	TEACHING STAFF	The *Land* Ministry	The *Land* Ministry
	NON-TEACHING STAFF	Municipality/*Schulträger*	Municipality/*Schulträger*
	OPERATIONAL RESOURCES	Municipality/*Schulträger*	Municipality/*Schulträger*
	MOVABLES	Municipality/*Schulträger*	Municipality/*Schulträger*
	PROPERTY (IMMOVABLES)	Municipality/*Schulträger*	Municipality/*Schulträger*
EL	TEACHING STAFF	Ministry of Education	Ministry of Education
	NON-TEACHING STAFF	Ministry of Education (and schools in the case of cleaning staff)	Ministry of Education (and schools in the case of cleaning staff)
	OPERATIONAL RESOURCES	*Scholiki epitropi*	*Scholiki epitropi*
	MOVABLES	Municipalities and prefectorial authorities	Municipalities and prefectorial authorities
	PROPERTY (IMMOVABLES)	Municipalities and prefectorial authorities	Municipalities and prefectorial authorities

Source: Eurydice.

---

(1) In the case of these schools, responsibility for the acquisition of goods and services is shared differently among the various bodies, depending on the Community concerned. In the French and German-speaking Communities of Belgium, the provinces and municipalities deal with the acquisition of all educational resources, with the exception of teaching and administrative staff who are remunerated by the Community. In the Flemish Community, schools purchase furnishings and operational equipment (movables) under a heading which includes maintenance staff (and, in primary education, administrative staff too).

(2) In the grant-aided private sector in the French and German-speaking Communities of Belgium, the Community concerned bears the costs of administrative staff, while schools cover the costs of maintenance staff. In the Flemish Community of Belgium, the bodies which administer primary schools are responsible for the remuneration of both these staff categories, while those which administer secondary schools are responsible only for maintenance staff.

FIGURE 2.3 (CONTINUED): BODIES UNDERTAKING THE ACQUISITION OF VARIOUS CATEGORIES OF SCHOOL STAFF, GOODS AND SERVICES, 1997/98

	STAFF, GOODS OR SERVICE CATEGORY	PRIMARY	LOWER SECONDARY
		EUROPEAN UNION (CONTINUED)	
E (Autonomous Communities able to exercise full powers in education)	TEACHING STAFF	*Departamento or Consejería de educación*	*Departamento or Consejería de educación*
	NON-TEACHING STAFF	*Departamento or Consejería de educación/ Concejalía de educación*	Departamento or *Consejería de educación*
	OPERATIONAL RESOURCES	*Consejo escolar del centro/ Concejalía de educación*	*Consejo escolar del centro*
	MOVABLES	*Consejo escolar del centro*	*Consejo escolar del centro*
	PROPERTY (IMMOVABLES)	*Departamento or Consejería de educación*	*Departamento or Consejería de educación*
E (Autonomous Communities not yet exercising full powers in education)	TEACHING STAFF	*Dirección provincial de educación*	*Dirección provincial de educación*
	NON-TEACHING STAFF	*Dirección provincial de educacion/ Concejalía de educación*	*Dirección provincial de educación*
	OPERATIONAL RESOURCES	*Consejo escolar del centro/ Concejalía de educación*	*Consejo escolar del centro*
	MOVABLES	*Consejo escolar del centro*	*Consejo escolar del centro*
	PROPERTY (IMMOVABLES)	*Dirección provincial de educación*	*Dirección provincial de educación*
F	TEACHING STAFF	Ministry of Education	Ministry of Education
	NON-TEACHING STAFF	Municipalities	Ministry of Education
	OPERATIONAL RESOURCES	Municipalities	*Conseils d'administration*
	MOVABLES	Municipalities	*Départements*
	PROPERTY (IMMOVABLES)	Municipalities	*Départements*
IRL (primary schools, *community* and *comprehensive schools, voluntary secondary schools*)	TEACHING STAFF	Department of Education and Science	Department of Education and Science
	NON-TEACHING STAFF	*Boards of management*	*Boards of management*
	OPERATIONAL RESOURCES	*Boards of management*	*Boards of management*
	MOVABLES	*Boards of management*	*Boards of management*
	PROPERTY (IMMOVABLES)	*Boards of management*	*Boards of management*
IRL (*vocational schools* and *community colleges*)	TEACHING STAFF	Not applicable	*Vocational Education Committee* of local government authorities
	NON-TEACHING STAFF		*Vocational Education Committee* of local government authorities
	OPERATIONAL RESOURCES		Boards of management
	MOVABLES		Boards of management
	PROPERTY (IMMOVABLES)		*Vocational Education Committee* of local government authorities
I	TEACHING STAFF	*Ministero della Pubblica Istruzione*	*Ministero della Pubblica Istruzione*
	NON-TEACHING STAFF	*Ministero della Pubblica Istruzione*	*Ministero della Pubblica Istruzione*
	OPERATIONAL RESOURCES	*Consiglio di Circolo*	*Consiglio d'istituto*
	MOVABLES	*Consiglio comunale*	*Consiglio comunale/ Consiglio d'istituto*
	PROPERTY (IMMOVABLES)	*Consiglio comunale*	*Consiglio comunale*
L	TEACHING STAFF	Ministry of Education/municipality	Ministry of Education
	NON-TEACHING STAFF	Municipality	Ministry of Education
	OPERATIONAL RESOURCES	Municipality	Schools/ Ministry of Education
	MOVABLES	Municipality	Ministry of Education
	PROPERTY (IMMOVABLES)	Ministry of Public Works	Ministry of Public Works
NL	TEACHING STAFF	*Bevoegd gezag*	*Bevoegd gezag*
	NON-TEACHING STAFF	*Bevoegd gezag*	*Bevoegd gezag*
	OPERATIONAL RESOURCES	*Bevoegd gezag*	*Bevoegd gezag*
	MOVABLES	*Bevoegd gezag*	*Bevoegd gezag*
	PROPERTY (IMMOVABLES)	*Gemeente*	*Gemeente*

Source: Eurydice.

Additional note

Ireland: A distinction is drawn between, on the hand, the *community* and *comprehensive schools* and the *voluntary secondary schools* and, on the other, the *vocational schools* and *community colleges*, but only in the case of secondary education. In primary education, there is only a single type of school.

BEST COPY AVAILABLE

FIGURE 2.3 (CONTINUED): BODIES UNDERTAKING THE ACQUISITION OF VARIOUS CATEGORIES OF SCHOOL STAFF, GOODS AND SERVICES, 1997/98

	Staff, goods or service category	Primary	Lower secondary
European Union (continued)			
A (primary schools, *Hauptschulen* and *Polytechnische Schulen*)	Teaching staff	*Landesregierung*	*Landesregierung*
	Non-teaching staff	*Gemeinde*	*Gemeinde*
	Operational resources	*Gemeinde*	*Gemeinde*
	Movables	*Gemeinde*	*Gemeinde*
	Property (immovables)	*Gemeinde*	*Gemeinde*
A *(allgemeinbildende höhere Schulen)*	Teaching staff	Not applicable	Federal government
	Non-teaching staff		*Landesschulrat*
	Operational resources		Schools
	Movables		Schools and *Landesschulrat*
	Property (immovables)		Federal government and *Landesschulrat*
P	Teaching staff	*Direcção regional de educação*	*Conselho da escola*
	Non-teaching staff	*Direcção regional de educação*	*Conselho da escola*
	Operational resources	Municipalities	*Conselho da escola*
	Movables	Municipalities	*Conselho da escola*
	Property (immovables)	Municipalities	*Direcção regional de educação*/ municipalities
FIN	Teaching staff	School or municipality	
	Non-teaching staff	School or municipality	
	Operational resources	School or municipality	
	Movables	School or municipality	
	Property (immovables)	Municipality	
S	Teaching staff	School or municipality	
	Non-teaching staff	School or municipality	
	Operational resources	School or municipality	
	Movables	School or municipality	
	Property (immovables)	School or municipality	
UK (E/W) *(grant-maintained schools, voluntary aided schools)* **UK (NI)** *(voluntary grammar schools, grant-maintained integrated schools)*	Teaching staff	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Non-teaching staff	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Operational resources	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Movables	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Property (immovables)	*School governing body* or FAS/ Welsh Office (GM schools) *School governing body* and DfEE (VA schools) *Board of governors* and DE (NI) (GMI schools)	*School governing body* or FAS/ Welsh Office (GM schools) *School governing body* and DfEE (VA schools) *Board of governors* and DE (NI) (VG and GMI schools)
UK (E/W) *(county schools, voluntary controlled schools)* **UK (NI)** *(controlled schools and maintained schools)*	Teaching staff	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Non-teaching staff	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Operational resources	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Movables	*School governing body/ Board of governors*	*School governing body/ Board of governors*
	Property (immovables)	*LEAs/Education and Library Boards*	*LEAs/Education and Library Boards*
UK (SC)	Teaching staff	*Local Authority* (with headteacher)	*Local Authority* (with headteacher)
	Non-teaching staff	*Local Authority* (with headteacher)	*Local Authority* (with headteacher)
	Operational resources	School (headteacher)	School (headteacher)
	Movables	*Local Authority* (with headteacher)	*Local Authority* (with headteacher)
	Property (immovables)	*Local Authority*	*Local authority*

Source: Eurydice.

Additional note

United Kingdom (E/W/NI): The legal status of *maintained schools* was modified with effect from 1 September 1999. *Grant-maintained schools* no longer exist. In the case of the *controlled* and *maintained schools* in Northern Ireland, the *Education and Library Boards* undertake the purchase of operational goods and services whose cost is greater than GBP 3 000 (around EUR 4 890).

179

BEST COPY AVAILABLE

FIGURE 2.3 (CONTINUED): BODIES UNDERTAKING THE ACQUISITION OF VARIOUS CATEGORIES OF SCHOOL STAFF, GOODS AND SERVICES, 1997/98

	STAFF, GOODS OR SERVICE CATEGORY	PRIMARY	LOWER SECONDARY
EFTA/EEA			
IS	TEACHING STAFF	Municipality	
	NON-TEACHING STAFF	Municipality	
	OPERATIONAL RESOURCES	Municipality	
	MOVABLES	Municipality	
	PROPERTY (IMMOVABLES)	Municipality	
LI	TEACHING STAFF	Government	Government
	NON-TEACHING STAFF	Municipality	Government
	OPERATIONAL RESOURCES	Municipality	School
	MOVABLES	Municipality	School
	PROPERTY (IMMOVABLES)	Municipality	Government
NO	TEACHING STAFF	Municipality	
	NON-TEACHING STAFF	School or municipality	
	OPERATIONAL RESOURCES	School or municipality	
	MOVABLES	School or municipality	
	PROPERTY (IMMOVABLES)	Municipality	

Source: Eurydice.

Generally speaking, it may be concluded that most primary and secondary schools are subject to similar regulations as regards the bodies that pay for the goods and services they need to work as they should, even in countries where the schools responsible for primary and secondary education are different. Of course, this has no bearing on the similarity of the amounts awarded, or the regulations according to which they are calculated, or the conditions governing their allocation.

This point holds good for the three linguistic Communities of Belgium, Denmark, Germany, Spain, Italy, the Netherlands, Finland, Sweden, all parts of the United Kingdom, Iceland and Norway.

Where they exist, differences between primary and lower secondary education generally correspond, in the case of the latter, to a move towards greater centralization of the big budgetary headings (staff remuneration and large-scale investment) and a decentralization of operational resources through a transfer of responsibilities from the public authorities to the schools themselves.

Centralization only

In Austria, staff remuneration and capital expenditure (immovables) are undertaken at a higher level in the case of some secondary schools (the *allgemeinbildende höhere Schulen*).

Decentralization only

In Portugal, all staff remuneration and operational costs are covered by the secondary school *(conselho da escola)* in the second and third stages of *ensino básico*, whereas intermediate authorities (the DRE and municipalities) handle this responsibility on behalf of schools offering the first stage of *ensino básico*.

Centralization and decentralization

In France, both centralization and decentralization were observed simultaneously: in secondary education, the central government took over the payment of non-teaching staff which, in primary schools, is the task of the municipalities, while the *département* did likewise for capital investment. Meanwhile, responsibility for operational expenditure, which is also handled by the municipalities at primary level, was transferred to the secondary schools themselves.

In Luxembourg, the task of remunerating non-teaching staff in secondary education is not entrusted to the municipalities, but performed directly by the Ministry of Education. The same applies to the acquisition of movables. Operational costs, on the other hand, which are covered by the municipalities for primary education, are not centralized but handled by the secondary schools themselves in accordance with the authorized ministerial budget.

BEST COPY AVAILABLE

A.5. TRANSFERS

The body which carries out the transaction and purchase of goods or services for a school is not necessarily the one that actually finances it. Often, it uses financial resources for this purpose which have been transferred to it by another authority. In all countries, any such transfers are from a body at a more centrally placed administrative level to one at a less centralized level (see the financial flow diagrams in Section 3 of the General Introduction).

However, some exceptions to this should be noted. In Luxembourg, the municipalities transfer to the government a third of the total amount in wages that it pays to primary school teachers. In the Netherlands, the school *(bevoegd gezag)* make regular payments to the *vervangingsfonds* and *participatiefonds* which are national bodies. Similarly, the municipalities in Liechtenstein pay to the government half the total sum with which it remunerates primary school teachers. In Denmark, transfers to the higher authority exist in the case of just some pupils. Municipalities pay a contribution to the government for their resident pupils who choose to enrol in private sector schools and a contribution to the county for pupils referred to extensive special educational assistance.

Aside from these exceptions, transfers are always from the top-level educational authority (which itself collects the greater part of tax revenue) to either the intermediate authorities or the schools, and from the intermediate bodies to the schools.

With the exception of financial resources that intermediate authorities and schools can raise by themselves (which sometimes correspond to only a very minor proportion of the total available to them), the top-level educational authority represents the original source of funding for schools. Where this authority itself undertakes the acquisition of staff, goods and services then made available to schools, there is no financial transfer.

In cases where an intermediate authority is responsible for the acquisition, financial resources are transferred from the central government to it. Such transfers may be earmarked for a specific item of expenditure, or take the form of a block grant that the intermediate authority has to share out across various headings, sometimes related to areas other than education.

Where schools themselves acquire the goods and service they use, the necessary financial resources are transferred to them by the top-level authority, either directly or indirectly. In the latter case, these resources are transferred via one or several intermediate bodies. Some of them are regional or local branches of the ministry responsible for the geographical distribution of the resources. Others possess a significant measure of managerial autonomy and may use this latitude to partially influence the allocation of resources.

Countries in which schools obtain their resources directly from the highest educational authority are Ireland, Luxembourg (secondary education) and Liechtenstein (secondary education). Some Irish secondary schools (*vocational schools* and *community colleges*) nevertheless receive their resources from the government via the VECs of the local authorities.

In Denmark, schools receive money from the local authorities, which obtain some of their funding from central government in the form of a block grant to cover a wide variety of services. In Greece, financial resources for schools are relayed by the prefectorial local governments and the municipalities. In Spain, they are transferred via the *Departamento* or *Consejería de educación*/*Direcciones provinciales de educación* or, in the case solely of primary schools, by the *Concejalías de educación.* In France (secondary education), schools receive most of their grants from the *départements*, themselves largely financed by the government. Schools in Italy obtain some of their financial resources directly from the Ministry for Public Education, some from the *provveditorato agli studi*, and some from the *consiglio comunale*. Both these intermediate authorities are funded by the Ministry. The *consigli comunali* are also funded by the Ministry of the Interior. In the Netherlands, the schools (represented by the *bevoegd gezag*) are partly financed by the municipality *(gemeente)*, which itself receives money from the government. In Portugal, schools corresponding to the second and third stages of *ensino básico* are funded by the Ministry of Education, either at central level (the Office for Financial Management), or via the intermediate authority (the DRE).

In the United Kingdom (England and Wales), the *school governing body* is financed by the LEA or, in the case of the former *grant-maintained schools*, the FAS or the Welsh Office (the National Assembly for Wales since 1999). LEAs receive the majority of their funds from central government. In England, these funds are part of the *revenue support grant* paid to local authorities by the Department of the Environment, Transport and the Regions (DETR) to cover the full range of local services including education. Welsh LEAs have been funded by the Welsh Office but since devolution in 1999, by the National Assembly for Wales. The FAS, which is now defunct, was wholly financed by the DfEE. In Northern Ireland, the school *boards of governors* are either funded directly by the DE (NI), or indirectly via the *Education and Library Boards* or, as in the case of *maintained schools* by both, with the DE (NI) providing funds for fixed capital assets. In Scotland, schools receive money from the local authorities, which obtain some of their financial resources from the Scottish Office (Ministry).

It should be noted that some intermediate authorities possess their own tax resources in addition to the allocation they receive directly or indirectly from their higher authority. In Belgium, this applies to the provinces and municipalities while, in Denmark, the municipalities levy a property tax as well as income tax. Besides an allocation they receive from the *Land,* in Germany, the bodies that maintain schools (the *Schulträger)* are funded by their constituent municipalities, which themselves possess their own revenue. In France, the municipalities and *départements* which obtain funds from the Ministry of the Interior are also able to use resources corresponding to a variety of local taxes. The same applies to the municipalities in Italy. In Luxembourg, Portugal, Finland, Sweden, Iceland, Liechtenstein and Norway, municipalities funded by the government also levy their own taxes. In the United Kingdom (England, Wales and Scotland), the local authorities raise money from local taxes. In Northern Ireland, on the other hand, the *Education and Library Boards* are entirely funded by the DE (NI).

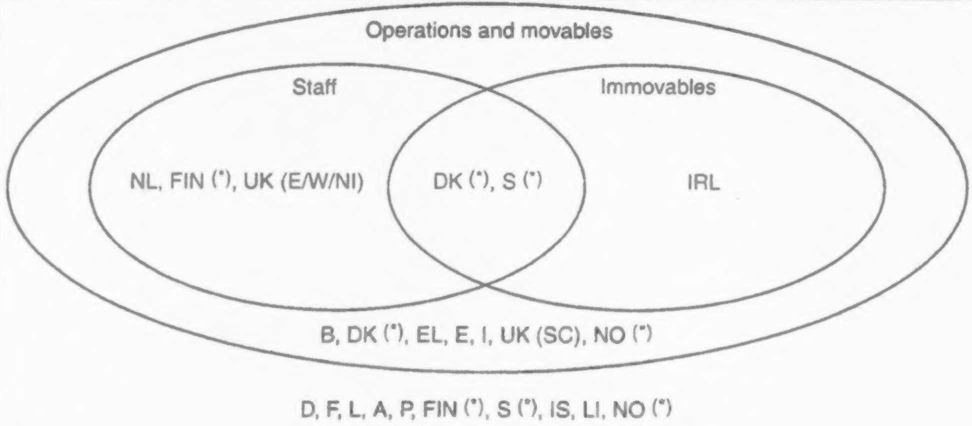
A.6. VARIABLE SCHOOL INVOLVEMENT

The role of the state authorities at different levels varies from one country to the next. In some cases, the responsibility for acquiring staff, goods and services is divided among several bodies while, in others, it is assumed by just one alone.

The involvement of schools, therefore, also depends on the country concerned. Where schools do exercise responsibilities, the acquisition of operational goods and services comes first. Second will often be the acquisition of movable assets. Some schools will also be responsible for acquiring immovable property (immovables) or remunerating their teaching staff. Finally, in some countries, all these responsibilities may be entrusted to schools.

The responsibilities exercised by primary and lower secondary schools as regards the acquisition of staff, goods and services are shown in Figures 2.4 and 2.5, respectively. The operational aspect is defined here in the broad sense: it includes goods and services necessary for the daily functioning of schools, but also the purchase of movables.

FIGURE 2.4: BREAKDOWN OF COUNTRIES IN ACCORDANCE WITH THE RESPONSIBILITIES OF PRIMARY SCHOOLS, AS REGARDS THE ACQUISITION OF STAFF, GOODS AND SERVICES, 1997/98


Operations and movables
Staff
Immovables
NL, FIN (*), UK (E/W/NI)
DK (*), S (*)
IRL
B, DK (*), EL, E, I, UK (SC), NO (*)
D, F, L, A, P, FIN (*), S (*), IS, LI, NO (*)

(*) Varies depending on the municipality concerned

Source: Eurydice.

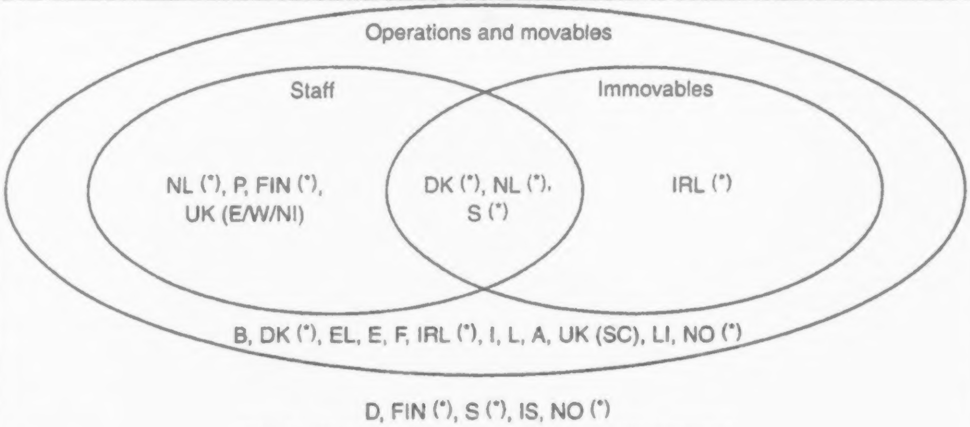
Additional notes

Belgium: In the Flemish Community, the costs of acquiring maintenance and administrative staff are borne by grant-aided schools. In the French and German-speaking Communities, grant-aided private schools are also responsible for purchasing immovable property.

Portugal: Schools which offer the first stage of *ensino básico*.

Finland: It is very unusual for municipalities to delegate no responsibility for acquiring goods and services to schools.

FIGURE 2.5: BREAKDOWN OF COUNTRIES IN ACCORDANCE WITH THE RESPONSIBILITIES OF LOWER SECONDARY SCHOOLS, AS REGARDS THE ACQUISITION OF STAFF, GOODS AND SERVICES, 1997/98


Operations and movables
Staff
Immovables
NL (*), P, FIN (*), UK (E/W/NI)
DK (*), NL (*), S (*)
IRL (*)
B, DK (*), EL, E, F, IRL (*), I, L, A, UK (SC), LI, NO (*)
D, FIN (*), S (*), IS, NO (*)

(*) Varies depending on the municipalities or schools concerned

Source: Eurydice.

Additional notes

Belgium: In the Flemish Community, the costs of acquiring maintenance staff are borne by grant-aided schools. In the French and German-speaking Communities, grant-aided private schools are also responsible for purchasing immovable property.

Germany: In some *Länder*, legislation concerned with schools enables municipalities to delegate some of their operational budget to the former.

Austria: The information given is only valid for the *allgemeinbildende höhere Schulen* (secondary schools for which the federal government is responsible). The situation of the *Hauptschulen* and *Polytechnische Schulen* is identical to that of the primary schools shown in Figure 2.4.

Portugal: Schools which offer the second and third stages of *ensino básico* or all three stages.

Finland: It is very unusual for municipalities to delegate no responsibility for acquiring goods and services to schools.

Iceland: Municipalities may delegate the acquisition of operational goods and services to schools. A growing number of them do so.

In general, three groups of countries may be distinguished.

In the first group, many responsibilities are delegated to primary and lower secondary schools, as is the case in the Netherlands, and the United Kingdom (England, Wales and Northern Ireland). The same applies to Ireland, as well as to some schools in Denmark, Finland and Sweden, where municipalities may delegate a maximum of responsibility to their schools. Portugal may also be considered as belonging to this group, in so far as schools that offer the second and third stages of *ensino básico*, or all three stages, are responsible for acquiring staff and operational resources in the broad sense (including movable property). The amalgamation of schools offering only the first stage should make it possible to extend this model to all levels of compulsory education.

A second group of countries comprises Belgium, Greece, Spain, Italy, the United Kingdom (Scotland) and Norway (in the case of some schools). In these countries, primary and secondary schools are responsible for acquiring operational goods and services, and sometimes even movable goods. In the case of Denmark, where delegation procedures depend on the municipalities, this also occurs quite frequently. The same situation is also to be found in France, Luxembourg, Austria (the *allgemeinbildende höhere Schulen* only), and Liechtenstein in the case of lower secondary education. In these countries, primary schools do not exercise such responsibilities.

Finally, in a third group of countries, schools are not responsible for acquiring staff, goods or services at either primary or lower secondary levels. This is the case when municipalities delegate none of their responsibilities to schools in Finland, Sweden and Norway. The same also applies to Germany and Iceland. In Germany, however, the situation varies depending on the school legislation of the *Land* and the procedures concerning the budget of the municipalities. In their capacity as *Schulträger*, the latter may delegate at least a part of the school budget to a school for the acquisition of operational goods.

B. FINANCIAL AUTONOMY OF LOCAL AUTHORITIES

In many European Union and EFTA/EEA countries, local authorities play a significant part in the provision of compulsory education. This involvement may result in different levels of autonomy depending on the country and the kinds of schooling considered.

First of all, certain local authorities themselves undertake the **funding of schools** and determine the amount of resources to be earmarked for education. To this end, they make use of government allocations as well as their own resources. In other cases, the sum earmarked for education is fixed at a higher level, but the local authority may – or must – supplement it with its own resources. In a third possible scenario, the local authority plays no part whatever in deciding the overall scale of the budget but handles its distribution among the schools concerned. These three situations may apply to one, two or all categories of educational resources (staff, operational resources and capital).

Next, irrespective of the way in which the overall budget for education is financed, the local authority may possess greater or lesser autonomy in **sharing out the amount concerned among schools**. The various restrictions with which it may have to comply at this stage provide a good indication of its room for manoeuvre. There may be a distribution formula for handing out subsidies to schools, or regulations that have to be respected during the award of this or that category of resources, as in the case of formal building requirements.

Finally, what happens after resources have actually been distributed to schools, as regards **collective management decision-making**, is the third aspect related to the autonomy of municipalities. Either schools are responsible for acquiring goods and services, or this task is performed by local authorities. The way in which responsibilities are shared may be governed by national legislation, or left entirely to the discretion of local authorities. Special attention will be drawn to this possibility in the present section, since it is one of the main pointers to the degree of autonomy a local authority possesses. However, the issue is examined more thoroughly in Chapter 2, point II.C dealing with the autonomy of schools.

For each country and kind of education considered, the significant variables in the autonomy of the local authorities are as follows: their decision-making power as regards the amounts earmarked for education (whether they have to spread a general allocation across several budgetary headings corresponding to various public services, of which education is one, or fix the amount by which they supplement the central government allocation for education); the criteria governing the way they distribute resources among schools; and whether or not they are able to decide to delegate management of the different budgetary headings to schools.

Three main procedural models are characteristic of the autonomy of local authorities. They have been drawn up on the basis of how far the latter are involved in financing education.

- The local authority has some latitude in preparing and making use of the budgets established for the various categories of resources (either all three categories or just operational resources and capital). Determining the budget for the different categories in this way is not related exclusively to the distribution of educational resources. It is also part of the broader task local authorities have of spreading their entire budget across their various sectors of responsibility (such as the police, highway maintenance, etc.).
- The local authority has room for manoeuvre in the use of allocations (in cash or in kind) which it receives from central government for one or several categories of resources. It shares responsibility with the latter for determining the amount of operational and capital allocations, in so far as it can – or must – supplement them with its own resources.
- The local authority is free to use school resource allocations made available to it by a higher authority. While it is not involved in determining the volume of such allocations, it is responsible for distributing them among schools.

These three broad models have provided an analytical framework for comparison between countries. However, they may possess variants that will be discussed further in Chapter 2, points II.B.1, II.B.2 and II.B.3. Whatever the degree of autonomy enjoyed by local authorities, it may be limited by official norms or standards, or regulations. These possible restrictions are reviewed here, because they enable our categories, as defined, to be qualified to some extent, and facilitate more precise comparisons between the situation in different countries.

B.1. AUTONOMY AS REGARDS FINANCING

The main feature of this group of countries is that their local authorities are empowered to establish the education budget for all or some of the expenditure linked to school service provision. The resources that they use for this purpose come from different sources, including the general government allocation for various local authority services (highway maintenance, certain social services, etc.), local taxes and its own revenue. In the five Nordic countries and the United Kingdom, local authorities are responsible, in accordance with this model, for staff, operational and capital resources. In the United Kingdom, this responsibility did not extend to the *grant-maintained schools* which existed between 1988 and 1999, and were directly financed by a higher authority. Local authorities finance operational and capital resources only in Germany, Spain (in the case of primary education), France, Italy, Austria (for primary education, *Hauptschulen* and *Polytechnische Schulen*), and Portugal (for schools offering the first stage of *ensino básico*).

B.1.1. All categories of resources

Decision-making power in relation to funding

The main feature of this group of countries is the autonomy of local authorities to decide on the budget for some, or all, of the expenditure linked to school service provision. In the five Nordic countries, these authorities determine the overall amounts to be earmarked for education, as well the specific amounts to be allocated to the various categories of resources, and decide whether or not the management of resources will be delegated to schools (see Chapter 2, point II.C.4). However, there are certain limits to this autonomy in the case of Finnish and Icelandic municipalities. In the United Kingdom (England, Wales and Scotland), each local authority decides how much to spend overall on schools in its area but, in accordance with national legislation, it must delegate to schools a global allocation for expenditure on staff and operational activities. In Northern Ireland, the DE (NI) decides on the overall level of funding. However, the *Education and Library Boards* decide on the proportion of this amount to be delegated to the *controlled* and *maintained schools*.

In Finland, the situation is different from that of the other Scandinavian countries. Instead of receiving an overall subsidy for all services they provide (including education), municipal authorities get two specific allocations for education. The first is for capital expenditure (and may or may not be annual, depending on the needs of the municipality concerned), while the second is for operational costs, including the remuneration of staff. The amounts of both allocations are calculated by the Ministry to cover a proportion of the estimated cost of education. The municipalities may supplement these allocations from their own resources and ultimately themselves decide how much and how they invest in education. Decision-making power in budgetary matters lies with the municipal council, which may delegate some of its responsibility for the financing of education to its education committee or an equivalent body. As to capital expenditure, the central government subsidizes between 20% and 50% of the estimated costs, depending on the financial situation in the municipality. Within limits dictated by the general amount available, allocations are made following an application submitted by municipalities to the Ministry of Education, in which they provide a justification for their proposed investment and describe it in detail. This subsidy covers all capital expenditure related to an investment approved by the Ministry, except the purchase of land.

All regulations and procedural restrictions that Finnish municipalities have to respect in the financing of capital resources limit their autonomy in comparison with that of Danish, Swedish and Norwegian local authorities. However, the freedom granted to municipalities in Finland to supplement their central government allocations as they wish from their own resources means that the country is in a situation comparable to that of local authorities in the United Kingdom and other Nordic countries from the standpoint of financial decision-making.

In two other countries, the central government retains control over the amount of financing for other kinds of expenditure.

In the United Kingdom (England and Wales), the local authorities finance education in accordance with the main model described for this category. They thus determine freely the overall amount that they allocate to education. This is known as the *General Schools Budget* (GSB). However, the 'capital expenditure' share of this budget has to be included in the general local authority budget for such expenditure (covering building and major purchases of equipment), and cannot exceed a certain amount laid down by central government in its *Annual Capital Guidelines*. A broadly similar situation obtains in Scotland.

Financing in Iceland also corresponds broadly to the present model, in which there is autonomy in the funding of all resource categories. However, a significant share of the financing of operational resources is not within the remit of the municipalities, as school books and teaching materials are always supplied in kind to schools by the central government. Furthermore, up to 2003, municipalities are receiving a fixed amount from the government for some capital expenditure on immovables, a provision that restricts them in determining their budget for expenditure under this particular heading. However, it is linked to a reform of education under which it is planned that, from 2003 onwards, all schools will offer single-session schooling in its entirety (1).

Distribution of resources

Distribution criteria

Municipalities are responsible for the distribution of resources among schools in all the Nordic countries except Iceland, in which the distribution of staff resources is subject to formal requirements. The criteria applied by municipalities in the other four countries are their own, and they do not have to comply with any related legislation. Proposals can be made by bodies at a higher-than-local level, such as associations of local authorities, but they are not binding. They will not, therefore, be discussed in the present section, which is concerned with how far the autonomy of local authorities may be restricted by regulations.

---

(1) Until now, some schools have always adopted an alternated timetable, in which the use of school premises during the day is divided into two separate sessions with one group of pupils taught in the morning and another in the afternoon.

In Iceland, municipalities have to use a mathematical formula (explained in more detail in Chapter 3) when determining the scale of staff resources to be allocated to schools. In order to determine fixed and movable capital allocations, municipalities refer to annual estimates by schools of their financial needs with regard to maintenance and the purchase of equipment.

The free hand granted to Nordic municipalities in distributing resources among schools (except in Iceland) is tied to an obligation, in Denmark and Sweden, to achieve results as referred to in the legislation on education, and in line with the educational aims defined therein. Furthermore, in Finland, Sweden and Norway, municipalities have to ensure that the education budget, as distributed, provides for in-service teacher training.

In contrast to the foregoing descriptions for the Nordic countries, the local authorities in the United Kingdom (England, Wales and Northern Ireland) have to divide up their education budget among schools in accordance with the formal requirements of the *Local Management of Schools* (LMS). Within this framework, the total amount an LEA or *Education and Library Board* (in Northern Ireland) spends on its schools corresponds to the GSB. This includes all spending by the LEA or *Board* (Northern Ireland), as well as the funding it distributes to schools. In England and Wales, when certain budgetary headings (such as building works, central government grants, and school transport) have been deducted from the GSB, the remainder is known as the *Potential Schools Budget* (PSB). The LEAs in England and Wales are required to delegate 85% of this amount, known as the *Aggregated Schools Budget* (ASB), to the schools themselves whereas, in Northern Ireland, no such proportion is specified (see Chapter 2, point II.C.3). The share retained by the LEAs or *Boards* enables them to cover costs such as the salaries of advisory teachers or curricular support staff. In England, by far the major share (80%) of the ASB has to be distributed mainly with respect to the number and age of pupils whereas, in Northern Ireland, the proportion is 75%. In Wales, the corresponding percentage was reduced from 80% to 75% in 1999. Other factors that local authorities take into account have to do with the special needs of some pupils, or a greater-than-average school infrastructure. LEAs are responsible for decision-making with regard to capital expenditure, but consult schools under their jurisdiction as to their requirements.

The local authorities in Scotland follow the *Devolved School Management* (DSM) principle, and have to base the hand-out of resources to schools on the number of pupils, geographical and social criteria and the kind of school buildings, although DSM allows for variations between local authorities. The authorities have to delegate at least 80% of their decision-making power regarding the use of resources to school management. They have to aim at fair treatment of schools and to take account of differences between them for this purpose. As to staff resources, although school budgets generally show average salary costs, local authorities in fact meet the real costs to their schools for the ongoing year.

Staffing norms

Viewed overall, local authorities have to ensure that schools for which they are responsible comply with minimum legal norms as regards the general provision of education, the human resources made available to schools for this purpose (teaching and supervision) and the quality and content of their activity. These formal requirements are set out in the legislation on the *folkeskole* in Denmark, in the Education Act in Sweden, in the Basic Education Act and Decree in Finland, the 1996 Education Act and other legislation in the United Kingdom (England and Wales), the 1989 Education Reform Order and other legislation in Northern Ireland, the 1974 law on education in Iceland, and the Compulsory and Post-compulsory Secondary Education Act in Norway.

In all these countries, municipalities are the employers of school staff, except in the United Kingdom (England, Wales and Northern Ireland), where in some categories of school, the employer is the *school governing body* or, in Northern Ireland, the *Council for Catholic Maintained Schools*. Although the LEA (England and Wales) is the legal employer in certain kinds of school, administering the payment of salaries and offering specific advice on issues such as appointments and dismissals, most employment responsibilities now lie with the governing bodies of schools. The situation is similar in Northern Ireland except that the DE (NI) there administers the payment of salaries (except in *voluntary grammar schools*). Given their limited responsibilities as legal employers, local authorities have to respect national agreements on terms of employment.

Local authorities in Scotland (UK), however, deal with teacher recruitment and are required to comply with both national staffing norms and agreed maximum class sizes in primary and lower secondary schools.

In the six countries in this category (the Nordic countries and the United Kingdom), staff liable to be employed by local authorities have to possess qualifications conforming to the appropriate regulations (1).

In Denmark, Finland and Norway, municipalities have to respect the working conditions (salaries and timetables) laid down following national-level negotiations between the teachers' union and the national association of local authorities (Denmark and Finland), or the Ministry of Labour and Government Administration (Norway). However, with the exception of Finland, national salary scales in these countries have been subject to some amendment. The system of remuneration currently implemented in Denmark links payment of a wage bonus to the achievement of particular goals and levels of responsibility. In Norway, it has been possible since 1999 to make local adjustments to national salary levels. In Iceland, there is also a national agreement on salaries drawn up by the teachers' union and the national association of local authorities, but some municipalities do not follow the agreement and propose higher salaries. In Sweden, the situation is different in that individual teacher salaries are negotiated at local level, even though a framework for salaries and working conditions (such as the number of hours' work, holidays, in-service training, etc.) is governed by national agreements. In the five Nordic countries, overtime may on occasions be remunerated in accordance with regulated pay scales. As to non-teaching staff, national or trade union salary scales have been established only in Denmark, Finland and Sweden. In Iceland and Norway, salaries of this kind are fixed at local level.

In addition to working conditions and appropriate qualifications, local authorities in some countries also have to respect quantitative requirements. Thus when municipal councils in Denmark and Norway have to decide on the number of classes to be opened in schools, they have to comply with a fixed upper limit of no more than 28 pupils per class in compulsory education. In Norway, the municipalities may allocate more resources than those corresponding to this ratio if they wish. In Sweden, Finland and Iceland (2), there are no formal pupil-per-class requirements of this kind.

Formal requirements relating to operational resources/capital

Local authorities are responsible for devising their own organizational plans for building and/or renovation.

In Denmark, Finland, Sweden and Norway, norms for environmental conditions and the size of premises are no different from those enforced at the workplace in general. There are no regulations applicable solely to school buildings in these four countries. However, in Finland, municipalities are subject to the oversight of the Ministry of Education for authorization of all their schemes involving fixed capital investment. Before subsidies are awarded, the Ministry checks that the deadlines, estimated costs and the buildings for a scheme are consistent with the budget.

In the other countries, regulations regarding school buildings are more numerous. In Iceland, municipalities have to comply with Ministry of Health environmental regulations, and a series of regulations on school building premises (number of square metres per pupil, classroom area norms dependent on the use to which rooms are put, the kinds of area that schools should provide for, and surface area norms for certain kinds of infrastructure).

In the United Kingdom (England and Wales), only management of expenditure on construction, structural renovations and heavy equipment lies within the competence of the LEAs. All schemes involving such expenditure have to be approved by the DfEE or Welsh Office (National Assembly for Wales since 1999), and plans should comply with the most recent (1999) regulations on school premises and government guidance on school building. LEAs also have to comply with general legislation relating to matters such as health and safety standards, environmental protection and the integration of people with special needs, which are concerned with more than education per se. In Northern Ireland, the DE (NI) provides advice and financial support relating to the planning, the form and standards for new school building works. Expenditure on this kind of building activity has to be authorized by the DE (NI). The local authorities in Scotland have to respect the formal building requirements set out in the *General Requirements and Standards* for school buildings, which indicate minimum surface areas for a given number of pupils and soundproofing specifications. As to movable capital assets, schools have to obtain the agreement of local authorities when they acquire furniture and fittings, and the authorities have to be satisfied that what they purchase complies with health and safety standards.

---

(1) In Denmark, municipalities are in special cases allowed to employ staff without formal teaching qualifications to provide instruction in certain specific subjects in public-sector schools. They include teachers of subjects such as home economics or metal/woodwork, or staff from abroad who can teach only subjects in which they have specialized.

(2) Although no reference has been made to any ratio in legislation since 1995, there is an informal agreement between the teachers' union and the association of local authorities to retain the former pupil/teacherratios.

Scope for delegating resources management

Resources may be allocated in accordance with various procedures in which responsibility may or may not be delegated to schools to some extent. The autonomy of local authorities in the Nordic countries lies in their competence to decide whether they delegate the management of some or all resources to schools.

In Denmark and Sweden, municipalities may delegate to schools the management of all categories of resources. In Sweden, this may be reflected in the allocation of a block grant, which is even firmly encouraged given that government recommendations are tending towards maximum decentralization. In Denmark, the grant comprises separate budgetary headings.

In Finland and Norway, responsibility for operational resources is usually delegated to schools. In Finland, however, municipalities are able to delegate all aspects of financial management to schools like their Danish or Swedish counterparts. Yet, more often than not, they retain responsibility for managing some resources. Where delegation occurs, it relates to expenditure on operational resources (in the broad sense) and on staff. In Norway, municipalities generally delegate the management of operational resources to schools under the two budgetary headings for which the latter have credit lines, namely 'equipment and maintenance' and 'operational costs'.

Municipalities in Iceland may delegate responsibility for routine financial management to school heads, and several have done so since the possibility was first offered to them in 1996. As legislation relating to delegation of responsibility to schools is relatively recent, it is expected to become more widespread in a few years from now.

In contrast to the situation in the Nordic countries, the delegation of management responsibilities to schools in the United Kingdom (England, Wales and Northern Ireland) is not at the discretion of the LEAs or *Education and Library Boards*. These authorities are obliged to delegate management of staff and operational resources to schools via a global allocation, in compliance with the formal requirements of LMS. However, LMS does not require LEAs or *Boards* to delegate capital funds to schools. These funds are retained and spent centrally following consultation with schools about their needs. Even though LEAs and the *Boards* have to delegate the major share of administration of the education budget to schools, they remain ultimately responsible for ensuring that schools honour their resource contracts, and are the owners of the equipment and goods purchased by them.

In Scotland, delegation to schools must at least cover the costs of staffing, administration, teaching and other materials, property maintenance and services. Local authorities are responsible for the economic viability of schools and supervise the purchase of movables.

FIGURE 2.6: TABLE SUMMARIZING THE SITUATION IN COUNTRIES WHERE LOCAL AUTHORITIES ARE AUTONOMOUS AS REGARDS FUNDING OF ALL SCHOOL RESOURCES, 1997/98

	CRITERIA FOR DISTRIBUTING RESOURCES AMONG SCHOOLS	TERMS OF EMPLOYMENT	FORMAL OPERATIONAL AND BUILDING REQUIREMENTS	SCOPE FOR DELEGATION
DK	Depends on the municipality	National agreements	General regulations	Yes, for staff, operational and capital resources
FIN	Depends on the municipality	National agreements	General regulations and approval of investment by the Ministry of Education	Yes, for staff, operational and capital resources
S	Depends on the municipality	National agreements Salaries are set individually, but based on the national agreement	General regulations	Yes, for staff, operational and capital resources
UK	Determined by the LMS or DSM	E/W/NI: national agreements on terms of employment SC: national staffing norms, maximum class sizes	England: on approval of the DfEE Wales: Welsh Office Northern Ireland: building works subject to the authorization of the DE (NI) Scotland: health and safety standards, formal building requirements	Obligatory delegation of staffing and operational resources
IS	Staff: mathematical formula. Operational resources and capital: depends on the municipality	National agreements (except in the case of non-teaching staff)	Specific regulations for school buildings and general health standards	Yes, for routine management
NO	Depends on the municipality	National agreements (except in the case of non-teaching staff)	General regulations	Yes, for operational resources

Source: Eurydice.

Additional note

Iceland: Some municipalities do not follow the agreements and propose higher salaries.

B.1.2. Autonomy in financing operational and/or capital resources

In several countries, local authorities are responsible for the financing of operational resources (sometimes including non-teaching staff) and/or capital. This means that they determine the amounts under these budgetary headings on the basis of their general budget, which comprises several kinds of resources and covers services other than education. As a result, the authorities concerned have something in common with municipalities in the Nordic countries and the United Kingdom. This applies to Germany, Spain, in the case of primary schooling, France, Italy, the Netherlands, Austria in the case of primary education, the *Hauptschulen* and the *Polytechnische Schulen*, and Portugal in the case of schools offering the first stage of *ensino básico*. Luxembourg partially conforms to this pattern in the case of primary education, in so far as the municipalities finance operational goods and services while the government bears most of the costs of immovables. In all these countries, except the Netherlands, the central government (or top-level authority for education) is responsible for the remuneration and recruitment of staff, which limits the autonomy of their local authorities compared to those in the Nordic countries. In the Netherlands, the schools manage their expenditure on staff.

The local authorities of these countries, except Luxembourg, generally handle the management of capital expenditure. The management of operational goods and services is entrusted either to municipalities (Germany; Spain in the case of some operational resources in primary education, France for primary schools, Italy, Luxembourg in primary education, Austria in the case of primary schools, the *Hauptschulen* and the *Polytechnische Schulen*, and Portugal, for schools offering the first stage of *ensino básico*), or to schools (Spain in the case of some operational resources in primary education, France in secondary education, and the Netherlands). Contrary to the situation in the Nordic countries, local authorities do not generally decide whether or not to delegate management responsibilities to schools. Instead, this decision is governed by national legislation and, as a result, is

190 BEST COPY AVAILABLE

uniform throughout a particular country. Responsibility for delegation cannot, therefore, be regarded as an aspect of local authority autonomy. However, in Germany, municipalities may delegate to schools the management of certain operational headings. Similarly, in the Netherlands, they may decide to delegate to schools all or some of their budget for school buildings.

Decision-making power in relation to funding

The range of needs financed by local authorities varies somewhat among the countries in this group. In Germany, France and Portugal (schools offering solely the first stage of *ensino básico*), local authorities finance all operational and capital resources, as well as resources for non-teaching staff in Germany and in France (in the case of primary schools). The situation is similar in Austria, except that in certain *Länder*, muncipalities receive assistance towards their capital expenditure in the form of loans from the (*Länder* level) Fund for School Building, which may wholly or partially cover construction costs. How loans are repaid depends on the financial position of the municipality. In most cases, one third of the financing of new construction, including building renovation, maintenance and equipment is the responsibility of the municipalities, and the remainder that of the *Landesregierungen*.

In Spain and Italy, local authorities finance only some operational and capital resources. In primary education in Spain, therefore, municipalities pay for school utilities, supply maintenance staff and handle repairs to existing buildings. In Italy, the municipalities are responsible for cleaning and utilities in the operational budget (1), while the government provides allocations to schools for administrative activities and teaching materials to which, however, some municipalities contribute. Municipalities also shoulder the costs and deal with the management of building expenditure, renovation, sports facilities, school buses and catering equipment.

In Luxembourg, the municipalities finance the operational expenditure of schools, while the Ministry of Public Works administers the construction of school buildings.

In the Netherlands, municipalities finance the fixed capital expenditure of schools.

In all countries in this category, local authorities finance operational and/or capital expenditure, which they fund from their own resources, as well as financial transfers emanating from central government (or the *Länder* in Germany).

Some of these transfers are not specifically intended for education. This applies, for example, to general operational and equipment allocations received by French municipalities which incorporate this kind of transfer in their overall budget, and then decide how much they will earmark for primary schools. In the Netherlands, municipal funding for capital comes from the Municipal Fund which is subsidized, in turn, by the Ministry of the Interior. Similarly, in schools offering the first stage of *ensino básico* in Portugal, the government transfers resources to municipalities without stating specifically how they should be used. They are included in the overall municipal budget which provides for the financing of operational resources (acquisition of teaching materials, administrative costs and utilities) in these schools, as well as repairs to them or new buildings for such institutions.

In other cases, financial transfers from the top-level educational authority are intended for specific purposes, so that the countries concerned are more similar to those discussed in Chapter 2, point II.B.2. In Germany, the municipalities (or *Schulträger*) receive allocations for public expenditure, with additional sums intended specifically for new building, alterations and extensions, the purchase of school premises and the initial supply of school equipment. To obtain these subsidies, the *Schulträger* have to ensure respect for a series of formal requirements, so that there is some uniformity of building in the *Land* in the sectors for which it is competent. In addition, municipalities have to ensure that educational provision in their area is well balanced. This means that the planning of school building development is based on mutual consultation between the municipalities and the higher authority, which is normally the *Land*. Similarly, to finance secondary education in France, the *départements* receive from central government a general 'decentralization' allocation and an allocation for equipment in *collèges*, which are transferred to them via the regions. *Départements* make up the balance required from their own funds. Although in Germany, as in the case of secondary schooling in France, some of the financial resources that municipalities earmark for education are determined in advance through specific allocations, local authorities remain primarily responsible for fixing all amounts.

---

(1) From the year 2000, school maintenance staff are being paid for by the central government.

The distribution of resources

Distribution criteria

In Spain, France, Italy, Luxembourg, the Netherlands and Austria, local authorities draw up their own criteria for the distribution of resources (¹).

In Germany, each *Schulträger* defines its formal requirements and priorities, on the basis of its financial resources. However, it also has to comply with the school development plan for its area of jurisdiction. This plan is drawn up with the top-level authority for education. To distribute capital resources to the various schools concerned, the *Schulträger* act in accordance with building requirements related to school surface areas (classrooms, smaller plots of land around buildings, and annexes).

In Austria, for primary education, the *Hauptschulen* and *Polytechnische Schulen*, the amount of operational resources awarded to the various schools is decided on the basis of discussions between the schools and municipalities. The municipalities decide schools' capital needs, with budgets distributed in accordance with the amounts available.

Amounts awarded to schools in Portugal vary from one municipality to the next. While there is no governing criterion, they are established on the basis of the characteristics of schools, including their size, the state of their installations and their geographical siting (with special regard to the climate in the north and south of the country).

Formal operational requirements

In the case of primary education in Spain and France, local authorities do not have to conform to centralized formal requirements as regards use of the budget for operational resources. In Germany, requirements regarding operational activity, which are based on general regulations, are laid down by the various *Länder*. It is now felt generally that the *Schulträger* or municipalities should have greater freedom in drawing up provisions of this kind. As to non-teaching staff in Germany, their remuneration is governed by general regulations applicable to contract workers.

In Italy, all schools have to comply with national environmental standards (relating to lighting, safety and health, acoustics, etc.). As regards the management of school operational resources in Luxembourg, the municipal authorities have to respect the safety standards enforced in public places. In Austria, in the case of primary education, the *Hauptschulen* and the *Polytechnische Schulen*, technical staff are remunerated in accordance with national salary regulations. In addition, standards for the physical environment (concerned with heating, lighting, acoustics, etc.) have to be respected in all schools.

In Portugal, local authorities have to conform to standards concerned with temperature and acoustics. In the near future, extensive standardization is expected in the first stage of *ensino básico* in Portugal, where the Ministry of Education is drawing up regulations relating to property and minimum provision of equipment, with which all schools will have to comply.

Formal building requirements

In Germany, municipalities have to respect building requirements drawn up at a supra-regional level. Every school building has to conform to the requirements consistent with the normal functioning of the school concerned. The premises it needs depend on its size (number of classes and pupils) and the subjects taught there. Furthermore, to obtain repayment from the *Land*, a *Schulträger* (or municipality) has to respect a minimum standard that depends on the type of school (*Grundschule, Hauptschule,* etc.) and its area. However, *Schulträger* can exercise some discretion in this respect. Area development schemes have been approved by the *Land* education ministries, specifying the minimum size of premises and recreational areas but leaving the *Schulträger* free to determine their precise form.

(¹) They are not subject to regulations in distributing subsidies, but have to publish their criteria.

In France, the area authorities (municipalities in the case of primary education and *départements* for secondary education) may draw up their own standards for building works (1) under general regulations concerning public premises. However, the area authorities are subject to central government oversight as regards work on building and extending schools which is liable to result in the creation of teaching posts, since it is the government which makes these additional school positions available. In short, the area authorities take decisions on procedures and requirements regarding the building of school premises and the equipping of classrooms, while the government decides whether they will actually be opened by designating the number of posts available.

In Italy, the construction of school buildings or sports facilities by municipalities has to comply with general building standards, along with formal teaching and health requirements.

Municipalities in the Netherlands are not subject to particular formal requirements as regards construction and maintenance operations carried out on school buildings. But they do have to comply with regulations which outline some of the financial procedures to be followed. By and large, they can choose between the so-called directive method and one based on calls for tender. In the former case, the municipalities apply criteria relating to equipment and facilities which state precisely the amount to be set aside for a particular infrastructure. In the latter, the management of a school issues a call for tender on the basis of certain specifications. The municipalities then decide on the amount to be made available in the light of the offers received. The call for tender procedure is especially useful where adaptation or maintenance work is carried out on building infrastructure, in particular when it has to be conducted in accordance with special one-off requirements or is hard to quantify precisely beforehand because of the specific way in which that infrastructure has been designed.

In Austria (primary education, the *Hauptschulen* and the *Polytechnische Schulen*), surface area per pupil norms must be complied with.

In Portugal, the Ministry of Education is responsible for setting up schools for the first stage of *ensino básico* and allocating a certain number of teachers to them. The Ministry also decides whether schools should be closed when the number of pupils appears insufficient to justify their operation. Under such circumstances, the local authorities and the Ministry normally act together jointly. However, centralized standards relating to the construction or renovation of buildings are simple recommendations. Norms relating to kinds of room (a conventional classroom or laboratory, for example) are taken into account when estimating the funding of various schools by local authorities.

Figure 2.7 summarizes the situation in different countries regarding the financial autonomy of local authorities in the field of education. It shows that, in the case of resource categories financed by these authorities, regulations are more extensive in Germany and Austria than in Spain.

---

(1) Where they do not do so, the former national standards constitute the benchmark.

FIGURE 2.7: TABLE SUMMARIZING THE SITUATION IN COUNTRIES IN WHICH LOCAL AUTHORITIES ARE AUTONOMOUS AS REGARDS THE FUNDING OF OPERATIONAL AND/OR CAPITAL RESOURCES, 1997/98

	FINANCING CATEGORIES OF GOODS AND SERVICES	CRITERIA FOR DISTRIBUTION AMONG SCHOOLS	FORMAL OPERATIONAL REQUIREMENTS	FORMAL BUILDING REQUIREMENTS
D	Non-teaching staff Operational resources Capital (on the basis of special allocations from the *Land*)	No (priorities fixed by the *Schulträger* but in accordance with a plan for school development at local level)	Yes (norms laid down by the *Land* and subject to possible amendment by the *Schulträger)*	Yes (in order to benefit from subsidies from the *Land*, construction and safety requirements as well as standards for equipment of schools have to be respected)
E (primary)	A share of operational resources (utilities) A share of capital (repairs)	No	No	No
F	Operational resources Non-teaching staff (primary) Capital	No	Primary: no Secondary: not applicable, as schools themselves administer their operational budget	General regulations concerning public premises
I	A share of operational resources (utilities and cleaning) Capital	No	Yes (environmental standards)	Yes (general building standards, educational and health standards)
L (primary)	Operational resources Non-teaching staff	No	Yes (the safety standards enforced in public places)	Not applicable (the responsibility of the Ministry of Public Works)
NL	Capital	No	Not applicable	Yes (financial procedures)
A (primary, *Hauptschulen, Polytechnische Schulen)*	Operational resources Capital (shared with the *Länder* in some cases)	No	Yes (physical environmental standards, including temperature, lighting, acoustics, etc.) Technical staff: national salary norms	Yes (surface area norms)
P (schools offering the first stage of *ensino básico*)	Operational resources Capital	No	Yes (temperature, acoustics and forthcoming standardization)	Yes

Source: Eurydice.

B.2. SHARED RESPONSIBILITY IN THE FINANCING OF OPERATIONAL RESOURCES AND CAPITAL

In two countries, municipalities and the top-level authorities for education share responsibility for financing school operational and capital resources. This means that municipalities receive from those authorities allocations that they may – or have to – top up with their own resources. Countries corresponding to this model are Belgium in the case of public-sector schools run by the provinces and municipalities and Liechtenstein in the case of primary education. In Belgium, local authorities also play an important part as far as staff are concerned. Teachers in schools administered by the provinces or municipalities are recruited by these authorities with reference to an overall number of hours' teaching.

As in the former model, local authorities in these countries generally handle the distribution among schools of the resources they finance. They are responsible for the management of operational and capital expenditure, except in the Flemish Community of Belgium in which the provinces and municipalities delegate to the schools they administer the management of operational goods and services. In contrast to the situation in the Nordic countries, local authorities do not decide whether or not to delegate management responsibilities to schools. Instead, the decision is governed by national or Community regulations and, as a result, is uniform throughout a particular country (or linguistic Community). Responsibility for delegation cannot, therefore, be regarded as an aspect of local authority autonomy.

Decision-making power in relation to funding

In Belgium, local authorities (the provinces and municipalities) contribute to the financing of operational resources for the schools for which they are responsible, since they can supplement allocations from the linguistic Communities with their own funds. However, in Liechtenstein, the situation is slightly different in that the inspectorate receives subsidies for the purchase of various services and non-durable goods, such as office expenses, small-scale equipment, and postage, etc.

The financing of capital is partly the responsibility of the local authorities in Belgium, because they have to make a predetermined percentage contribution to it. In the Flemish Community of Belgium, expenditure on fixed capital (immovables) is financed up to 70% by the DIGO, while the remaining 30% has to be funded by the province or municipality, which is also able to undertake building and renovation from its own resources. The provinces and municipalities in the French Community of Belgium finance fixed capital expenditure corresponding to 40% of the total investment, with the remaining 60% borne by the Ministry of Education.

In Liechtenstein, capital financing is the responsibility of the local authorities, which make use of special government subsidies.

The distribution of resources

Distribution criteria

In the Flemish Community of Belgium, the *inrichtende machten* are allowed to distribute resources among the various schools on the basis of their own criteria. However, under a law of 1959, the schools they administer must be treated in the same manner and the provinces and municipalities therefore have to take this regulation into account.

In Liechtenstein, the distribution of the 'operational budget' among schools is the responsibility of the municipalities. Allocation of expenditure on equipment generally takes account of costs from past experience, and is based on a flat-rate amount per class or per pupil. As to capital expenditure (construction and building maintenance), the municipal council decides on the level of investment, after considering the case made out for it by the school concerned in terms of need, urgency, utility and on economic grounds.

Formal requirements for operational resources

In Belgium, maintenance staff are remunerated by the local authorities in accordance with regulations established by the provinces or municipalities. However, there are norms relating to operational activity which are applicable to all workplaces (1996 Law on staff welfare), together with specific provisions applicable to French Community schools.

In primary education in Liechtenstein, local authorities do not have to respect centralized formal requirements in the management of operational resources.

Formal building requirements

In schools administered by the provinces and municipalities in the French Community of Belgium, building works are subject to Community regulations. To obtain a subsidy, provinces and municipalities there have to demonstrate that their needs are justified and respect the official financial and physical requirements in the decree of the Community executive dated 8 January 1993, concerned with surface area per pupil and the price margins per square metre specified for building and architectural planning.

In the Flemish Community of Belgium, all building works are subject to the oversight of the DIGO, a public institution responsible for coordinating the construction of school buildings in grant-aided sectors.

For material investment in Liechtenstein, responsibility lies with the municipal department for the administration of construction works or the government financial control department (which determines the building expenditure entailed).

FIGURE 2.8: TABLE SUMMARIZING THE SITUATION IN COUNTRIES IN WHICH LOCAL AUTHORITIES ARE AUTONOMOUS AS REGARDS MANAGEMENT AND SHARING OF RESPONSIBILITIES FOR FINANCING CERTAIN RESOURCES, 1997/98

	FINANCING, BY CATEGORY OF GOODS AND SERVICES	CRITERIA FOR DISTRIBUTION AMONG SCHOOLS	FORMAL OPERATIONAL REQUIREMENTS	FORMAL BUILDING REQUIREMENTS
B fr (schools administered by the provinces and municipalities)	May supplement the operational allocation Compulsory 40% contribution to capital	No	Norms to ensure staff welfare, specific provisions applicable to Community buildings, remuneration of maintenance staff in accordance with regulations laid down by the provinces or municipalities.	Compliance with official financial and physical Community requirements
B nl (schools administered by the provinces and municipalities)	May supplement the operational allocation Compulsory 30% contribution to capital	No	Not applicable	Building works are supervised by the DIGO
LI	Operational resources 70% of capital	No	No	(:)

Source: Eurydice.

B.3. AUTONOMY IN THE USE OF ALLOCATIONS FOR SEVERAL CATEGORIES OF RESOURCES

In two countries, local authorities receive central government allocations earmarked for a particular category of educational resource. They do not supplement them from their own resources, and are thus in no way involved in fixing the amounts of these allocations. On the other hand, they are responsible for distributing them among the various schools. This is the case in Greece and Ireland.

In Greece, the municipalities receive an operational subsidy from the Ministry of the Interior, while the prefectorial authorities obtain credit from the Public Investment Programme and loans for capital expenditure.

In Ireland, the VECs receive three different allocations from the Department of Education and Science intended for expenditure on staff, operational resources and capital.

In Greece, the municipalities delegate to schools the management of cleaning staff and operational resources. They themselves undertake school building work. In Ireland, schools manage operational resources, as well as maintenance and remedial staff resources, whereas the VECs administer fixed capital assets (immovables) and remunerate staff. Contrary to the situation in the Nordic countries, the local authorities do not decide whether or not to delegate management responsibilities to schools. The decision depends on the application of a national regulation, so this responsibility cannot be considered as indicative of the autonomy of local authorities.

Breakdown of resources

Criteria for award

In **Greece**, the amount of the subsidy allocated to schools for operational purposes is fixed by the municipal council, after the management of the school concerned has given an account of its needs. The prefectorial authorities are responsible for the award of resources for fixed capital (immovables) to schools. They themselves determine the criteria for distribution among schools of the investment credit they receive.

In Ireland, the VECs distribute all resources (staff, operational resources and capital) to the various schools, in accordance with their priorities and perceptions of needs. However, there are ministerial recommendations regarding the allocation of non-teaching staff (secretaries and caretakers) to schools, in accordance with their levels of enrolment (1). These non-teaching staff resources are included in the operational allocation.

Staffing norms

In Ireland, the VECs recruit staff and pay their salaries. The teachers themselves have to be appropriately qualified, and are normally remunerated in line with national salary scales negotiated between the Ministry and teacher unions. Non-teaching staff are paid in accordance with special fixed rates. Instead of using pupil/teacher ratios, upper limits are set on class size in accordance with health and safety standards.

Formal operational and building requirements

In Greece, formal operational requirements relate to school libraries and laboratories. Furthermore, when carrying out construction works, maintenance and repairs to school buildings there, municipalities have to respect a set of conditions drawn up by the Ministry for Economic Affairs, taking into account the number of pupils compared to the overall area of the school and the area of particular social, administrative and operational premises.

Although no restrictive formal building requirements exist in Ireland, certain operational standards have to be upheld there.

FIGURE 2.9: TABLE SUMMARIZING THE SITUATION IN COUNTRIES IN WHICH LOCAL AUTHORITIES ARE AUTONOMOUS IN THE USE OF ALLOCATIONS THEY RECEIVE FOR ONE OR SEVERAL RESOURCE CATEGORIES, 1997/98

	CATEGORIES OF RESOURCES TO BE DISTRIBUTED	CRITERIA FOR DISTRIBUTION AMONG SCHOOLS	STAFFING NORMS	FORMAL OPERATIONAL REQUIREMENTS	FORMAL BUILDING REQUIREMENTS
EL	Operational resources Capital	No	Not applicable	Yes (national standards linked to teaching requirements)	Yes (national regulations)
IRL (VECs)	Staff Operational resources Capital	No (requests submitted by the schools) Except non-teaching staff (ministerial recommendations)	Yes (salary scales, standard qualifications, etc.)	Operational standards	No

Source: Eurydice.

B.4. SUMMARY

In the great majority of European Union and EFTA/EEA countries, local authorities have an important part to play in the financing and distribution to schools of their operational, capital and sometimes staff resources. From this standpoint, municipalities in the Nordic countries and local authorities in the United Kingdom are more autonomous than those elsewhere, since they finance the three foregoing categories of resources and thus exercise considerable responsibility and decision-making power as regards most expenditure on education. Yet this power is more limited in the United Kingdom since the award of resources to schools has to comply with formal requirements established by central government. Furthermore, the government regulates the way in which decision-making there is shared between schools and local authorities, whereas the Nordic municipalities themselves decide what they will delegate to schools. In contrast to the situation in the Nordic countries and the United Kingdom, when local authorities are involved in educational expenditure in Greece and Ireland (in the case of the *vocational schools* and *community colleges*), they do no more than administer a sum fixed and allocated at central level.

---

(1) Schools with over 350 pupils are allocated one secretary and one caretaker, with pro rata allocations for schools with enrolments between 200 and 350 pupils. The VECs may reallocate this provision so as to provide some assistance in these areas to schools having less than 200 pupils.

As regards the management of resources financed totally or partially by local authorities, administration of operational goods and services may be delegated to schools, either at the initiative of the local authority concerned, or because delegation is provided for in national legislation, as for example in France (lower secondary education) and the United Kingdom. On the other hand, in the French Community of Belgium (education administered by the provinces and municipalities), Germany, Spain (primary education), Italy, Luxembourg (primary education), Austria (primary schools, the *Hauptschulen* and *Polytechnische Schulen*), Portugal (in the case of schools offering the first stage of *ensino básico*) and Liechtenstein, the local authorities themselves administer the operational goods and services that they finance. Responsibility for school building financed by the municipalities is delegated to schools only in certain Nordic countries and the Netherlands, when the municipalities decide that this should be done.

Different levels of autonomy have been discussed throughout Chapter 2, point II.B, namely autonomy in the area of financing (meaning determination of the budget for two or three categories of educational resources as a component of all public services), the sharing of responsibility for funding some resources (where the local authority is involved in financing a particular category in accordance with regulations or on its own initiative), or the administration of an allocation to be distributed among schools. In relation to these various forms of autonomy, there are a certain number of regulations which may vary from one country to the next and result in minor variants of these three main models.

As regards distribution of the amounts among schools for their staff resources (of relevance primarily to the Nordic municipalities), autonomy may be limited by class size norms, as in Denmark and Norway, but not in Sweden, Finland or Iceland. However, in this last-named country, municipalities have to use a mathematical formula when they distribute teaching staff resources among the various schools. As to other aspects of staff resource management (recruitment, payment of salaries), teaching staff salaries and conditions of employment in all the Nordic countries are established at national level. However, in Sweden, national agreements draw up only a basic salary structure, whereas the local level is empowered to negotiate salaries on an individual basis. In Iceland and more recently Norway, there are local divergences with respect to the centrally established norms. In these last two countries there are no salary scales for non-teaching staff.

As far as operational and capital resources are concerned, local authorities more often than not have to comply with regulations applicable to all public places or the workplace in general, as well as to environmental and health standards. Such is the case in Denmark, France, Italy, Luxembourg, Finland, Sweden, Liechtenstein and Norway. A secondary level of restrictions may comprise the existence of school building standards (the construction of buildings or operation of their facilities), as in Belgium, Germany, Greece, Austria (in the case of primary education, the *Hauptschulen* and *Polytechnische Schulen*), the United Kingdom and Iceland. Finally, in some countries, the local authorities responsible for financing and managing operational and capital resources are subject to more restrictive regulations. In some instances, the authorities have to list and justify their fixed capital investment (as in Belgium, for schools administered by the provinces and municipalities, and in Finland). In others, the central government imposes standards on certain categories of resources, as in the case of some operational resources in Portugal. Similarly, in Iceland, the government is involved in a reform concerning school buildings and allocates grants which have to be spent in this context.

C. SCHOOL FINANCIAL AUTONOMY

This section deals with the extent of school responsibilities in the area of financing. In all the countries studied, the total scale, or volume, of public resources possessed by schools in cash or in kind is determined by a higher authority, regardless of whether or not they submit a budgetary estimate to it. Once this total has been established, it is allocated to schools either as an overall amount, or divided into the categories of staff, operational resources or capital, or even sub-categories of these. The autonomy of schools may thus be regarded as their freedom to use fixed amounts under one or several budgetary headings as they wish, or in certain cases readjust the amounts under such headings, effectively transforming them into a global allocation.

Aside from the question of whether resources are allocated in comprehensive 'block' form or compartmentalized, the regulations with which schools have to comply in using them are important and affect their financial autonomy. For example, in the case of autonomy in the management of staff resources, a factor with a central bearing on schools' room for manoeuvre is whether or not they have to respect national salary regulations or pupil/teacher ratios. Schools enjoy financial autonomy either because it has been granted to them by the municipality which may delegate its responsibilities to them if it wishes, or because it is the result of a measure introduced by central government (or the top-level authority for education) in the course of decentralization. In the first case, they have to follow the same regulations as the municipality concerned, which are analysed in Chapter 2, point II.B. As regards the second, amendments to regulations associated with decentralization to schools are discussed in Chapter 2, point III.B.

Bearing in mind the many variations between the countries concerned, school financial autonomy may be broken down into three broad scenarios.

- Schools receive their **resources in kind** from the central government, other top-level educational authority, or a local authority, which acquires goods and services whose quantity and nature it determines itself, sometimes after the submission of budgetary estimates by the schools concerned.
- Schools have a degree of **freedom in the use of allocations** (in cash or in kind) which the top-level educational authority grants them for one or several categories of resources (usually for operational purposes, sometimes for operational purposes and staff or, rather less often, for the three main resource categories). However, schools do not have the right to take decisions about the amount of resources to allocate to various budgetary headings. For teaching staff, they receive an allocation in the form of a given number of hours of teaching, which they convert wholly or partially into a corresponding number of teachers. They either recruit them directly or forward their decisions to the competent authority, which assigns the teachers to them.
- On the basis of a **general fixed amount**, schools are free to draw up their own budget and the way it is used. They divide the gross sum into budgetary headings to cover the three main categories of resources, namely staff, operations and capital, or any two of them. They recruit staff and manage the payroll, with the administration of remuneration sometimes handled by a local authority. In this case, the schools either fix the salaries themselves, or act in accordance with collectively negotiated agreements.

The situations in each country are analysed in accordance with the three foregoing models, which are refined as necessary. Specific national particularities will be highlighted.

In the Nordic countries except Iceland, the autonomy of schools varies from one municipality to the next. Schools within a particular country may thus belong to any one of the three categories defined above. It is not possible from the information available to indicate the number of schools corresponding to any one of these models. They are therefore shown in a special category focusing on the varied extent to which municipalities delegate management. In it, the different possible scenarios will be presented without any quantitative indication as to their relative frequency.

Operational allocations cover different resources, depending on the country concerned. In some cases, they include part of the capital allocation, namely movable assets and the purchase of durable goods. They may also cover the costs of non-teaching staff other than those who perform services for

BEST COPY AVAILABLE

schools as and when required. In the present section, the allocation for operational purposes does not therefore correspond to the strictest sense of the term (as defined in the General Introduction, Section 1.C) and its content will be indicated for each country.

Where staff resources are allocated in kind, schools may have some latitude in managing them. For example, the allocation of an overall number of hours of teaching to be provided gives schools a measure of autonomy which may take different forms. From the teaching angle, school management will be responsible for deciding on the size of classes, as well as the range of subjects and course options on offer. Although this delegation of responsibility is not directly linked to the financial aspect of school autonomy, it is considered here, in so far as it extends the leeway of school heads in managing their staff. Autonomy is further increased by allocations based on teaching hours when they enable schools to capitalize some of their resources, or transfer them to another expenditure heading. The ability of schools to recruit their own staff is also a sign of autonomy, in the sense that they may freely choose their resources.

A summary table is given at the end of this section.

C.1. LIMITED AUTONOMY OF SCHOOLS FOR ALL RESOURCE CATEGORIES

Schools receive their resources in kind from the higher authority (government, other top-level educational authority or municipality) which decides on their amount and then usually acquires them, sometimes after the schools concerned have submitted a budgetary estimate. This is the situation in Germany, Luxembourg and Iceland and, in the case of certain categories of school, in the French Community of Belgium, France, Austria, Portugal and Liechtenstein.

In the French Community of Belgium (schools administered by the provinces and municipalities) as well as in primary education in France and Luxembourg, schools have no autonomy since municipalities and government are jointly in charge of their financial management. In secondary education in Luxembourg, schools themselves undertake the acquisition of their operational resources – office equipment, printing and bookbinding facilities, postal and telephone expenses and the costs of minimum upkeep – and send off invoices and other supporting documents to the Ministry of Education and Vocational Training. However their autonomy is very limited, as they have to comply with a budget fixed in advance by the Ministry for each category of resources, and cannot make any transfers between budgetary headings. Furthermore, secondary schools annually submit a budgetary estimate of their operational expenditure which is incorporated in the national budget for education.

In the other countries in this category, the autonomy of most schools is also very limited. However, circumstances do exist in which schools have greater autonomy as regards the allocation of operational resources, occasionally on an experimental basis, or sometimes because municipalities have the option of delegating their decision-making power to the former, and exercise it in varying degrees. Schools may also be autonomous as regards staff resources if they are responsible for recruitment.

For example, since the beginning of the 1990s in Germany, a growing number of reform projects have been conducted by municipalities in many *Länder*, so as to give greater financial autonomy to schools and to increase their budgetary responsibility. In general, this autonomy relates to non-teaching staff and operational goods in the broad sense. Furthermore, in some *Länder*, schools also possess limited autonomy in relation to teaching staff, since they can request cash resources from their *Land* to take on replacement staff paid by the hour.

Primary schools in Austria have no autonomy. However, in the case of some lower secondary schools (the *Hauptschulen* and *Polytechnische Schulen*), the allocation for operational expenditure may be awarded in various ways, as a result of which schools may be more or less autonomous. Three main procedural categories exist, as follows: a) schools forward to their municipality a pre-established budget in cash for cleaning, utilities such as water and electricity, medical care, school events and meetings (1), b) schools invoice their municipality which then pays them, and c) they obtain their operational resources in kind. The municipalities decide on the procedures which should be used by schools under their jurisdiction and which may also occur in combination. Furthermore, in the case of the three foregoing kinds of school, the idea of delegating management of operational resources more extensively is being tested on an experimental basis.

---

(1) There is no provision for combining annual budgetary headings, but increasing flexibility is being exercised in practice.

In Portugal, moreover, reform of the prevailing situation is currently under way. It is aimed at establishing groups of schools offering the first stage of *ensino básico*, in accordance with various procedures. These schools are to form organizational units with administrative autonomy, which will be responsible for managing their staff and operational expenditure.

In Iceland, the essential share of resources is provided in kind by the municipalities, except in the case of textbooks which are distributed directly to schools by the government. However, schools have a part to play in the allocation of some of their resources. As regards staff and capital expenditure, school heads annually prepare an estimate of the volume of resources they will need for the forthcoming year and submit it to the local authority responsible for the planning of education. Resources are thus allocated to schools as a total number of teaching hours in the case of staff, while their heads are delegated the responsibility for recruiting staff in cooperation with the school boards. Municipalities are also able to delegate routine financial management to schools, and are granting them this autonomy in an increasing number of cases. Similar experiments are being conducted in some municipalities to broaden the financial autonomy of schools to include management of an allocation for teacher salaries.

In primary education in Liechtenstein, the purchasing autonomy of school heads is limited to expenditure on equipment and materials strictly related to teaching. In general, they possess liquid assets for minor amounts. In the case of other expenditure on teaching equipment, they audit the invoices submitted to the Municipal Fund for payment. However, municipalities have the option of paying into a school bank account the share of expenditure on equipment related to teaching so that the school management can itself administer these resources (subject nonetheless to the obligation to justify its expenditure). However, unspent amounts cannot be carried over to the next accounting period. Schools may make special applications to invest in movable capital assets.

C.2. AUTONOMY IN THE USE OF ALLOCATIONS AWARDED FOR ONE OR OTHER CATEGORY

In five countries, Greece, Spain, Ireland (in secondary education provided by the *vocational schools* and *community colleges*), Italy and Austria (in secondary education provided by the *allgemeinbildende höhere Schulen*), school autonomy of this kind is limited to operational resources. In Liechtenstein, it is encountered at secondary level in a somewhat different form, discussed below. In Belgium (schools administered by the Communities, and by the provinces and municipalities in the Flemish Community), France (lower secondary education), Ireland (secondary education provided by the *community* and *comprehensive schools*), the Netherlands (primary education) and Portugal (schools offering the second and third stages, or all three stages, of *ensino básico*), such autonomy includes staff resources. As to schools in the grant-aided private sector in Belgium, and primary schools and *voluntary secondary schools* in Ireland, they themselves manage the three budgetary headings of staff, operational resources and capital.

C.2.1. Autonomy in relation to operational expenditure alone

In certain countries, schools receive their operational resources (in the broad sense) in cash in roughly compartmentalized form. It should be noted that these 'operational' allocations may include very different resources and therefore be indicative of broader autonomy in some countries than in others. This is the case in Greece, Spain, Ireland (in secondary education provided by the *vocational schools* and *community colleges*), Italy and Austria (in secondary education offered by the *allgemeinbildende höhere Schulen*).

In Liechtenstein, secondary schools are autonomous as regards management of their operational allocation, but the procedures for its award differ from those of the above-mentioned countries in that the allocation is made available as a credit line for which invoices have to be submitted, and not in cash. However, this situation does not affect the degree of autonomy of schools, in so far as they have to administer an amount predetermined at a higher level, by spending it with invoices forwarded to the Ministry of Education.

In Greece, the municipality awards the *scholiki epitropi* (school committee) an operational subsidy. It covers utilities and stationery costs, cleaning staff costs, minor expenditure on building maintenance and urgent repairs. These subsidies are entered into the school budget, which the school head and *scholiki epitropi* are jointly responsible for administering.

Primary schools in Spain receive an operational subsidy from the *Departamento* or *Consejería de educación* or the *Dirección provincial de educación*, to cover expenditure on communication and out-of-school activity (in which all items are grouped together but on the basis of a budget prepared by the school), as well as a subsidy for expenditure on equipment below a certain amount. Secondary schools receive two operational subsidies from the *Consejería* or *Departamento de educación* or from the *Dirección provincial de educación*. One is meant to cover all recurrent operational costs, while the other is used for expenditure on capital (repairs and the purchase of equipment) under a certain amount.

In Ireland, the *boards of management* of some secondary schools (the *vocational schools* and *community colleges*) receive an operational allocation from the VEC which has to cover the cost of utilities and maintenance.

Schools in Italy receive operational allocations from two sources. From the Ministry of Education, they receive a grant intended to cover the costs of administrative activity, as well as the purchase of equipment required for teaching such as audio-visual, scientific and computer equipment. From the municipalities, they receive an allocation in cash or in kind for utilities and maintenance costs. Municipalities also allocate manual workers to schools. This support is entered into the operational budget (in the broad sense) which is managed by the *consiglio di circolo* in the case of primary schools and the *consiglio d'istituto* at secondary level. Parts of this budget may be carried over from one year to the next. This responsibility for financing shared by the government and municipalities is not encountered everywhere, as some municipalities also contribute to municipal and teaching costs. Schools also receive a grant for staff replacement costs and compensatory remuneration for specific teaching activities, for which they enjoy managerial autonomy. These forms of support are analysed in Chapter 4 on specific resources.

As regards operational resources in the broad sense in Austria, the *allgemeinbildende höhere Schulen* get two main forms of support from the Federal Ministry of Education and Culture, each covering several budgetary headings. The first allocation concerns running expenditure and contains three fixed budgetary contributions: a grant for the cost of utilities and maintenance, a grant for expenditure not dependent on the number of pupils (the basic amount is identical for each school) and a grant for expenditure that does depend on the number of pupils (such as the costs of school events, teaching equipment and school supplies and photocopies). The second allocation relates to movable assets, with schools receiving three kinds of subsidy in cash. For minor repair work and consumer items on which it has to rely for some time (installations, school equipment, printing machines and equipment), each school gets the same basic fixed amount, a variable sum which rises with the number of pupils, and a budget for possible special projects. Each school may vary its budget within the two main allocations. Alongside the general funding model described above, 25 schools in Austria have volunteered to take part in a pilot project aimed at granting them greater autonomy.

In Liechtenstein, secondary school heads have an amount to be spent out of an operational subsidy in the broad sense. This allocation has to cover expenditure on the purchase of teaching materials, management and cleaning, as well as on maintenance and the purchase of equipment below a certain amount. Schools can neither carry over unused resources to the next accounting period, nor capitalize them in a fund. Directors or managers of schools carry out operational purchases and pay for them by means of invoices forwarded to the auditing department of the national fund.

FIGURE 2.10: CONTENT OF OPERATIONAL ALLOCATIONS BY COUNTRY AND TYPE OF SCHOOL, 1997/98

	FIRST ALLOCATION	SECOND ALLOCATION
EL	Utilities, cleaning staff, stationery, minor maintenance expenditure, urgent repairs	
E (primary)	Expenditure on communication, extra-curricular expenditure	Expenditure below a certain amount on equipment
E (secondary)	Routine operational activity, extra-curricular expenditure	Expenditure below a certain amount on equipment/ repairs
IRL (*vocational schools* and *community colleges*)	Cost of utilities and maintenance	
I	Administrative activities, purchase of durable and non-durable teaching equipment	Cost of utilities and maintenance (in cash or in kind) Manual workers allocated to schools
A (*allgemeinbildende höhere Schulen*)	Routine operations	Movable capital, projects
LI (secondary)	Administrative costs, cleaning, maintenance, teaching equipment, purchase of equipment (credit line)	

Source: Eurydice.

Explanatory note

The terms of the budgetary headings employed refer to the categories adopted in the countries themselves.

FIGURE 2.11: OPERATIONAL RESOURCES FOR WHICH SCHOOLS HAVE AUTONOMY, 1997/98

	ROUTINE OPERATIONS (UTILITIES/STATIONERY/CLEANING)	EQUIPMENT/MINOR MAINTENANCE EXPENDITURE
EL	Yes	Yes (minor maintenance expenditure)
E (primary)	Yes (only expenditure on communication)	Yes
E (secondary)	Yes	Yes
IRL (*vocational schools* and *community colleges*)	Yes (except stationery)	
I	Yes (plus costs of administrative activities)	Yes (limited to teaching equipment)
A (*allgemeinbildende höhere Schulen*)	Yes	Yes
LI (secondary)	Yes (plus costs of administrative activities) (credit line)	Yes

Source: Eurydice.

Explanatory note

Where allocations do not correspond exactly to one or other of the two categories, further details are provided.

Within this category of countries characterized by autonomy in the management of operational resources, the room for manoeuvre of schools varies in accordance with the number and content of operational allocations received, as illustrated in Figure 2.10. Operational resources are awarded in one or two main allocations. Where schools receive two distinct allocations of this kind, they are not in a comprehensively global or 'block' form, except in Italy. However, being able to lump two allocations together or receive only one is not in itself indicative of greater autonomy. The range of expenditure headings for which schools are autonomous also has to be taken into account, and this is illustrated in Figure 2.11. From this standpoint, the countries in which autonomy may be considered to be greatest are Spain, in secondary education, and Liechtenstein because the schools concerned manage their recurrent operational expenditure, as well as the purchase of equipment. This is also true, but to a lesser extent, in Italy and primary education in Spain. Despite the fact that Italian schools, in addition to their routine operational expenditure, are responsible for the purchase of teaching equipment and, where budgetary management is delegated to them, for utilities and maintenance, manual workers are provided for them directly by the municipalities. Similarly, where current operational resources are concerned, primary schools in Spain are only autonomous as regards expenditure on communications. In relation to movable capital goods, they are responsible for the purchase of equipment. Schools in Greece and the *vocational schools* and *community colleges* in Ireland have less autonomy. It relates primarily to expenditure on routine management or, in the case of Greece, expenditure required as a matter of urgency.

C.2.2. Autonomy with regard to staff and operational expenditure

Two major alternatives characterize autonomy in relation to the 'staff' and 'operational' categories, depending on whether or not transfers are possible between these two headings of expenditure. Thus in Belgium (schools administered by the Communities and, in the Flemish Community, by the provinces and municipalities), France (lower secondary education), Ireland (secondary education provided by the *community* and *comprehensive schools*) and the Netherlands (primary education), no transfers are possible between the headings corresponding to teaching/management staff and operational resources, which sometimes include administrative and maintenance staff. Both of these kinds of allocation will therefore be discussed separately. As regards the second alternative, only Portugal (at schools offering the second and third stages of *ensino básico*, or all three stages) authorizes transfers between the 'staff' and 'operational' budgetary headings.

Compartmentalized budgets

Operational resources including maintenance and/or administrative staff

In the French Community of Belgium, all schools administered by the Community have a block grant for their operational expenditure in the broad sense, including maintenance staff, equipment and other school supplies. The block subsidy also includes expenditure for running a canteen and providing a school bus service. Schools have to balance their operational budget, cover expenditure on utilities and inform the Ministry about their various purchases for approval.

In the Flemish Community of Belgium, operational subsidies allocated by the provinces and municipalities to the various schools under their jurisdiction cover the costs of both maintenance staff and, in primary education, administrative staff too. By way of comparison, the situation in schools run by the Community is that the ARGO attributes administrative and maintenance staff to schools without them being involved in any way.

In France, secondary schools receive a general grant for operational purposes in the broad sense, covering utilities and supplies for basic teaching and administrative activity, as well as maintenance.

In the Netherlands, schools have an operational subsidy in the broad sense to cover internal and external building maintenance in primary schools, the payment of taxes and utilities, teaching equipment and furnishings, and the costs of administration. The *bevoegd gezag* is able to vary expenditure across the different headings, and share out the subsidy among the various schools it manages.

In the four cases, schools enjoy very considerable leeway. Their allocation is not compartmentalized.

In the *community* and *comprehensive schools* in Ireland, the situation is somewhat different. As regards operational expenditure, they administer a pre-established budget, a part of which is allocated in kind. In addition, they receive a cash allocation for administrative and maintenance staff.

Teaching and management staff resources

In the countries concerned, staff are allocated in kind, but the way in which this is done gives schools room for manoeuvre on a scale of special interest here. It is such that they have to decide on how big their various classes will be and the range of courses they offer (autonomy in educational matters) but, above all, it implies some leeway in the use of resources. This may be a matter of budgetary autonomy (the chance to save on part of the allocation) or qualitative autonomy (the recruitment of teachers by schools, amounting to a certain degree of freedom in the selection of human resources).

In accordance with similar systems at primary and secondary level in the French and German-speaking Communities of Belgium, staff resources are allocated as the total number of teaching hours to be provided, which school heads then spread as they wish across the different years of schooling and subjects on offer. In primary education, a further amount may possibly be awarded for flexible use to cover part-time employment geared to specific needs, such as the establishment of a class offering compensatory or remedial tuition or lessons in physical education, etc. In secondary education, in addition to the total number of 'teacher-periods', each school has a certain number of hours to share out among teaching staff (for class committees, and class management and coordination).

In the Flemish Community of Belgium, schools receive their teaching staff resources as an overall 'teacher-period' allocation. In addition, schools administered by the Community recruit their teaching staff themselves.

Secondary schools in France receive a global allocation expressed in hours, and may fix the teaching workload, select course options, and decide on the size of groups of pupils. They are thus relatively free to determine the kind of education they will provide, but have no room for manoeuvre from the financial point of view.

Community and *comprehensive schools* in Ireland receive a cash allocation for part-time or replacement teachers. The number of staff to be employed is nevertheless fixed at a higher level than that of the school. Teaching staff are remunerated by the Department of Education and Science, but recruited by the school *board of management*, their official employer.

In primary education in the Netherlands, schools manage their staff resources for management, teaching and teaching support staff. The *bevoegd gezag* receives its staffing resources from three different sources, namely the *formatiebudgetsysteem* (FBS, or Staff Establishment Budget System) for conventional staff and those employed for special purposes, the *Vervangingsfonds* (Replacement Fund) for financing temporary staff and the *Participatiefonds* (Participation Fund) for when staff are made redundant.

The *Centrale Financiën Instellingen* (CFI), the central agency for the financing of schools, allocates a staff budget to the competent authority in the form of calculation units (the *Formatierekeneenheden*, or FREs) for teaching and non-teaching staff. The *bevoegd gezag* conducts its staffing policy from a qualitative and quantitative point of view. Quantitative autonomy means that it can transfer unused FREs to another school for which it is responsible, or capitalize them. However, this room for manoeuvre is very limited, as FREs intended for special requirements are pre-established, and the transfer or capitalization of FREs cannot correspond to more than 10% of the budget. Qualitative autonomy implies that the *bevoegd gezag* itself recruits staff.

The system for financing staff by means of the FBS must be regarded as a transition towards a system of block grant for staff and operational purposes as employed in secondary education (see Chapter 2, point II.C.3). It has not been introduced at primary level, because of the more limited size of the schools.

The Replacement Fund has been established to reimburse the costs of replacement staff to schools, in case of sickness, while the purpose of the Participation Fund has been to cover the costs of laying off staff. The *bevoegd gezag* contributes to both funds by paying annual dues, for which it draws on its overall budget and, in return, is assisted by these bodies whenever replacement or redundancy occur. Financial exchanges between the schools (the *bevoegd gezag*) and the funds depend on the kind of staffing policy conducted by the school. In the case of the Replacement Fund, schools contribute in proportion to the number of their declared replacements. The system of graded premiums, which are calculated using administrative data from the previous school year, acts as an incentive to school management to limit absenteeism.

The Participation Fund is a mechanism for ensuring that schools bear the financial responsibility for decisions deriving from their internal policy, which are liable to generate unemployment. The cost of a lay-off is only covered if justified and, if not, has to be borne by the school. Indeed, the schools (the *bevoegd gezag*) have the task of supervising and assisting staff threatened with redundancy, in order to prevent it. They have many means at their disposal in order to do so, as well as numerous staff management mechanisms geared to such prevention.

Transfers possible between staff and operational budgets

As regards autonomy in expenditure on staff, the situation in Portugal is special. Schools offering the second and third stages of *ensino básico* receive a cash subsidy awarded for the payment of teaching and non-teaching staff salaries. While they undertake the remuneration of staff, it is the Minister of Education that recruits teachers and allocates them to the various schools. However, schools do enjoy a small measure of financial autonomy vis-à-vis their staff subsidy, as each year they have a credit allocation corresponding to 7% of the total weekly number of hours worked by teaching staff, for activities to help fight school failure and dropout. If these additional hours are not completed because teachers are unavailable, schools may apply for up to 3% of their financial equivalent for extra-curricular initiatives for the same purpose, such as study visits, participation in study groups dealing with topics of interest to pupils, or the purchase of books. Furthermore, schools may raise their operational allocations by amounts equivalent to the salaries of non-teaching staff (engaged in administrative duties, refectory work, etc.) who no longer work in them (usually either because they retire or move to other departments), as long as they do not request replacement staff or if their request is not accepted. This supplementary allocation is awarded solely during the first year in which such a situation arises.

Decisions related to these two mechanisms are the responsibility of the *conselho directivo* (management council) or the *director executivo* (executive director).

As far as operational expenditure in the broad sense is concerned, schools receive two kinds of allocation from the office for financial management (a Ministry of Education body), namely a budget for recurrent expenditure and one for low-cost investment expenditure. The operational budget covers the purchase of curricular and extra-curricular teaching materials, payment of utilities, maintenance and the renting of sports facilities, etc. In the case of both headings, schools forward annual budgetary estimates to the office for financial management. They may finance up to 18% of their operational costs from their own funds (see Chapter 5). If the management council or executive director so decide, schools may also transfer money between their budgets for recurrent expenditure and small-scale investment. But they can only use their recurrent operations subsidy for another purpose if expenditure does not reach the amount indicated by the office for financial management. Furthermore, if expenditure is greater than that amount, the school may request a supplementary subsidy.

C.2.3. Staff/operations and immovable capital

In Belgium and Ireland, some kinds of school have more autonomy than others because they are autonomous in managing expenditure on immovable property.

In the grant-aided private sector in Belgium, school autonomy in relation to operational and staff subsidies is almost the same as in public-sector education administered by the Communities (see Chapter 2, point II.C.2.2), except that the school administrative bodies concerned recruit their teachers themselves, which means they have greater autonomy from a qualitative standpoint. Furthermore, the administrative bodies enjoy total freedom as far as immovables are concerned. In the French Community of Belgium, the Community guarantee fund underwrites loans contracted by schools and is committed to paying the interest on them (the public sector covers the entire contribution minus 1.25%). In grant-aided private schools in the Flemish Community of Belgium, the *inrichtende machten* possess considerable autonomy as regards capital expenditure, 70% of which is financed by the DIGO. The *inrichtende machten* cover the remaining 30%.

In Ireland, primary schools receive three allocations: one for non-teaching staff, one for recurrent expenditure, including the purchase of equipment and one for immovables. They are not awarded in a lump sum and each contains a great many budgetary headings.

In secondary education, *voluntary secondary schools* receive a flat-rate payment per pupil for administrative staff, and funding for part-time staff on submission of a formal claim for reimbursement. They also get an operational block grant and a block subsidy for capital expenditure, on condition that the private-law body responsible for the school contributes 10% of the amount. The cost of buying the site is borne by the Ministry of Education which then leases it back to the school.

C.3. AUTONOMY IN ESTABLISHING BUDGETS FOR DIFFERENT RESOURCES AND IN THEIR USE

The Netherlands (secondary level) and the United Kingdom award block grants to their schools, which cover staff and operational costs in the broad sense. This amounts to everything except capital expenditure on immovables, which comes under a distinct budgetary heading, which may or may not be administered by the school, depending on the particular case. Schools freely allocate the amounts earmarked for each expenditure heading. In the Netherlands, the *bevoegd gezag* undertake the recruitment and remuneration of school staff. In the United Kingdom (England, Wales and Scotland), the local authorities administer teacher salaries whereas, in Northern Ireland, the DE (NI) does so for the *controlled* and *maintained schools* and the *grant-maintained integrated schools*, even if the *school governing bodies* or *boards of governors* decide how many teachers they require and then recruit them. However, staff in the *voluntary grammar schools* in Northern Ireland are remunerated by the schools themselves.

In the Netherlands, schools have an annual overall budget that they use as they wish, in accordance with certain limits defined by law. The body that maintains them (the *bevoegd gezag*) may transfer resources between schools for which they, or another *bevoegd gezag*, are responsible.

As regards staff, subsidies are calculated annually with reference to the national average salary for each category of staff (permanent, temporary, etc.), and are expressed as full-time equivalent posts. Subsidies allocated to schools are readjusted in accordance with the average of staff at the school concerned. Each year, schools (the *bevoegd gezag*) establish the share of their overall budget that they will earmark for their expenditure on staff. A fraction of this expenditure relates to two specific costs concerned with staff management, namely staff replacement and redundancy. Both are regulated by two centralized bodies, the Replacement Fund and the Participation Fund (1).

In the United Kingdom (England and Wales), the different kinds of school receive an annual allocation that they are largely free to administer as they wish, provided they achieve their declared educational objectives.

In accordance with the LMS system, LEA-*maintained schools* in England and Wales receive from the LEAs their share of the ASB, with which they cover their operational and staffing costs in the broad sense. *School governing bodies* in England and Wales decide how the budget is to be spent and may delegate control of part of the budget for some expenditure to school heads or their colleagues. They may also carry over unused amounts from one year to the next. They are free to choose their staff, but LEAs, who remain the legal employers (except in the case of *voluntary aided schools*) have the right to give advice in this respect. However, the *school governing body* of a *voluntary aided school* may accord this right to the LEA. The LEAs also retain a share of the PSB, to cover costs such as advisory teachers and curriculum support (2). Schools employ staff, while respecting the salary structure and conditions of employment for teachers laid down at national level.

Operational costs in the broad sense cover the purchase of teaching and other materials, scientific and electrical equipment, cleaning and maintenance, utilities and insurance. These goods and services are selected and bought by schools, but LEAs retain ownership of them and are responsible for the commitments contracted by schools in the area of operational expenditure.

Another group of schools, the *grant-maintained schools*, existed between 1988 and 1 September 1999. Because their method of funding and the extent of their financial autonomy were distinct from those of the LEA-*maintained schools*, they are discussed in Chapter 2, point III.B given over to a historical and contextual analysis of the main forms of decentralization to schools.

In Northern Ireland, most schools are either so-called *controlled* (non-denominational) *schools* or *maintained schools* (Roman Catholic). The *Education and Library Boards* award them an annual budget intended to cover their staff and operational expenditure in the broad sense. While the financial autonomy of these schools is consistent with the LMS principle, the situation is different from that of schools in England and Wales in that the DE (NI) does not specify the proportion of the PSB to be delegated to schools. Although their *boards of governors* are responsible for the management of human resources, the *Education and Library Boards* are the legal employers of staff in the *controlled schools*, whereas in the (Catholic) *maintained schools*, this task is assumed by the *Council for Catholic Maintained Schools* (CCMS). Furthermore, the *Boards* undertake the acquisition of operational goods and services for schools when their amount is greater than GBP 3 000 (around EUR 4 890). *Voluntary grammar schools* and *grant-maintained integrated schools* are financed by the DE (NI), in accordance with the LMS principle. In these schools, their *boards of governors* are the legal employer of staff but, in the *grant-maintained integrated schools*, the DE (NI) administers the payment of staff salaries.

---

(1) For an explanation of how these funds operate, see the description of the situation regarding primary education in the Netherlands, in Chapter 2, point II.C.2.2.

(2) The LEAs retain a more comprehensively global share of the GSB, as they assume responsibility for capital expenditure, and provide certain services such as legal advice, premature retirement and redundancy costs and educational psychology and welfare services, etc.

In Scotland, schools are allocated an annual budget by the local authorities in accordance with the DSM principle. This means that school heads (in consultation with existing school boards) are responsible for managing their operational and staff expenditure. The amounts under each of these budgetary headings may be adjusted each year. However, while schools, in conjunction with the local authorities and in compliance with the national (i.e. Scottish) basic staffing standards and maximum class sizes, determine the number of staff required for the forthcoming year, the local authorities deal with their recruitment and the payment of their salaries. A particularity of the DSM system is that the local authority finances staffing costs in accordance with recurrent annual school costs whereas, in the rest of the United Kingdom, schools themselves support the costs of variations in salary related to the seniority of staff. As to movable capital assets, schools manage them and undertake their purchase, subject to the approval of the local authorities.

In addition to the block grants intended to cover staff and operational expenditure, certain schools in the Netherlands and the United Kingdom (England and Wales) have some leeway in their capital expenditure on immovables (1). In the Netherlands, capital expenditure is borne by the municipalities, but the competent authorities (the *bevoegd gezag*) draw up requests relating to buildings and premises, which they submit to the municipalities for consideration. Furthermore, it is planned that capital expenditure will soon be included in the annual block grant received by schools. The *school governing bodies* of *voluntary aided schools* in the United Kingdom (England and Wales) share responsibility with the DfEE and the Welsh Office (the National Assembly for Wales since 1999) for capital expenditure, to which they contribute 15%.

C.4. A SITUATION THAT VARIES WITH THE SCHOOL: DELEGATION OR OTHERWISE FROM MUNICIPALITIES TO SCHOOLS

In four Nordic countries, Denmark, Finland, Sweden and Norway, municipalities assume responsibility for the financial well-being of schools. They have to see that the latter remain on an economically sound footing, and are also responsible for ensuring, with the support of school resources, that their educational activities are of optimal quality and comply with national regulations. Municipalities remain the legal employers of staff, responsible for appointing them and terminating their employment. As to their responsibility for education, municipalities may delegate management of all or some resources to the schools under their jurisdiction in a way involving either segmented budgetary headings or global allocations. Situations between municipalities differ, as do national conditions, with certain countries providing for greater delegation of responsibility by municipalities to schools than others.

---

(1) In the United Kingdom (England) from April 2000 onwards, a share of the allocations for capital is being decentralized towards the LEA-*maintained schools* on a per capita basis.

In Denmark, the situation conforms to one of three possible models, representing three levels of delegation.

- The first corresponds to the 'minimum' model: schools have very little autonomy. They receive their human resources in kind as a total number of hours of teaching to be divided up among classes or subjects. In this particular case, schools do not have to bear the costs of supporting teachers who are older as a group. They manage a limited budget for operational expenditure, providing for teaching equipment and out-of-school activities.
- In the second model, the operational subsidy covers far more extensive needs, whereas staff resources are always awarded in kind. The allocation for operations in the broad sense has to enable the financing of maintenance, minor building works and renovation, as well as small-scale investments. Sometimes, it may be divided into sub-categories, such as teaching equipment, supplies, continuing education and other expenses, including office equipment, cleaning and meetings, etc. Municipalities thus allocate these resources to schools in a fairly segmented form.
- The third model reflects the greatest level of delegation. Schools not only administer the operational budget in the broad sense but, in principle, also assume financial management of staffing costs, as well as part of the capital expenditure corresponding to minor construction work, computer equipment and large-scale furnishings. School heads have the task of drawing up and administering the budget in compliance with the categories laid down by their municipal council, in cooperation with the *skolebestyrelse* (school board).

In Finland, in most cases, municipalities delegate the management of resources to schools. Allocations may comprise up to five of the following main categories: teaching staff, accommodation and transport, services to pupils and meals, administration and building maintenance and minor investments. The resources usually managed by schools relate to operations in the broad sense. It should be noted that the operational allocation may include teaching and non-teaching staff resources which are either awarded in kind to schools as an allocation for sharing out among different classes and course options, or as an amount which schools have to manage themselves.

Municipalities are legally empowered to delegate all financial management of educational resources to schools. However, in reality, it would appear that the latter never have any autonomy in capital expenditure, as building is generally coordinated by their municipality which relies on a separate body for building purposes. This body works in close collaboration with school management.

In Sweden, resources allocated to schools may be divided into various budgetary headings or distributed in block form. Decision-making autonomy for expenditure may also be shared between schools and their municipality. In very many municipalities, the management in each school may fix the level of teacher salaries and other expenditure. In other cases, salary levels are established by the municipalities. As regards the management of capital expenditure, some municipalities delegate this responsibility to their schools, whereas others retain it for themselves, or incorporate the expenditure in their own administration of planning and construction.

In Norway, the delegation of financial decisions to schools generally implies the setting up of a board responsible for recurrent administrative and financial matters. It normally includes the head teacher, along with staff and parental representatives.

Staff resources are usually allocated as a certain number of 'teacher-periods' clearly specified for each type of activity. Normally, head teachers have little influence over the number of staff hours, but may through the employment of staff, have influence over the way staff are designated, etc. Short-term replacements are the responsibility of the head teacher who, in this particular case (in which teachers are sick or leave the school during the year), is responsible for finding a replacement.

Operational resources (in the broad sense) are broken down into two main allocations. On the one hand are 'equipment and maintenance' which includes the purchase of material and equipment expected to last longer than a year (as in the case of school books, computer equipment, minor repairs and maintenance) and, on the other, 'operational costs' corresponding to consumer products normally lasting less than a year, such as office expenses, utilities, communication invoices, teaching equipment and expenditure related to cultural and sporting activity. In general, school heads have some leeway regarding such expenditure, as they are entitled to a credit line for both headings. They are thus free to select their resources and pay for them using invoices signed and forwarded to the chief municipal treasurer. Furthermore, they may normally make transfers between the two headings. The operational subsidy includes administrative staff, whereas maintenance staff are supplied by the municipality.

Schools have no autonomy in the area of major capital investment, which is the responsibility of the municipality. However, some municipalities have started projects in which school boards may assume entire responsibility for operational expenditure and be authorized themselves to take on teachers. However, the municipal council retains responsibility for ensuring that educational activities are properly carried out.

C.5. SUMMARY

Autonomy relating solely to the management of operational resources is the most widespread. It exists in the schools of some municipalities in Denmark, Finland and Sweden, schools in Greece, in the Irish *vocational schools* and *community colleges*, and in Austria in some *Hauptschulen* and *Polytechnische Schulen*.

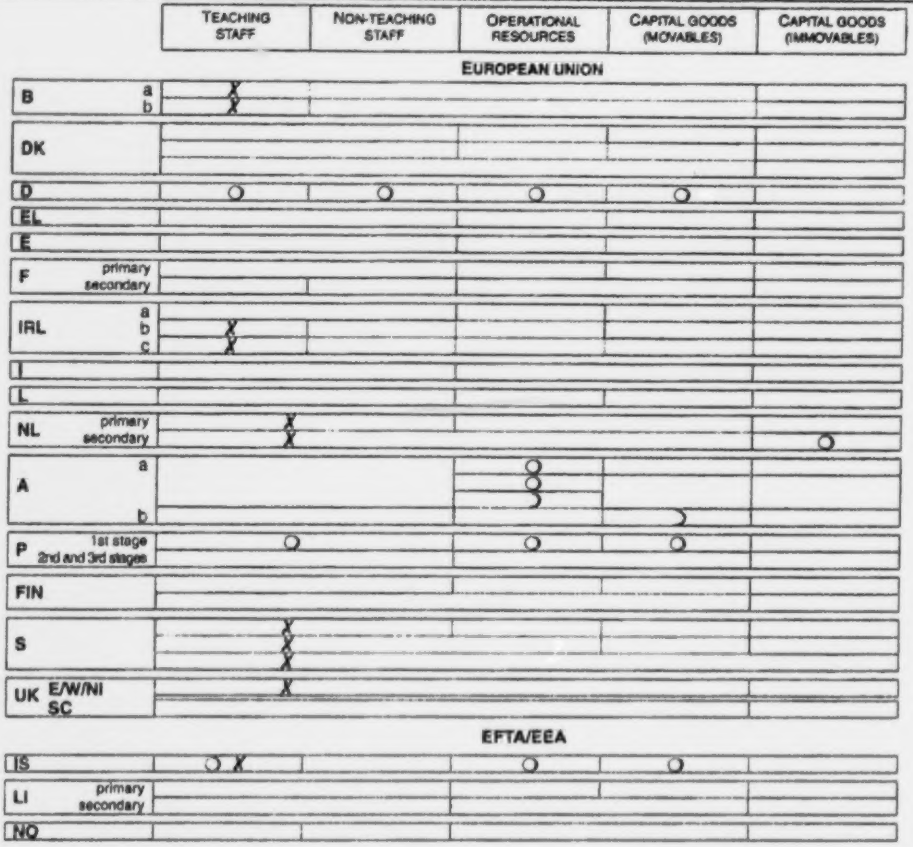
In most cases, this autonomy extends to the management of capital goods (equipment and other movable assets) and, in certain instances, to some or all of the non-teaching staff. This applies to schools administered by the Communities in Belgium, schools in some municipalities in Denmark and Finland, all schools in Spain, secondary schools in France, Italian schools, primary schools in the Netherlands, the Austrian *allgemeinbildende höhere Schulen*, schools that offer the second and third stages of *ensino básico* in Portugal, secondary schools in Liechtenstein and Norwegian schools.

The staff heading constitutes the second most frequently encountered category of resources for which schools have management autonomy. However, in most cases, there is an allocation in kind, which is an overall number of either hours of teaching or teacher-periods to be divided up among classes and subjects. This is the case in Belgium, some Danish schools and French secondary education. In schools administered by the Flemish Community of Belgium, primary schools in the Netherlands, the Irish *community* and *comprehensive schools* and in Iceland, one aspect of this autonomy is that schools are free to recruit staff. In the United Kingdom, some schools in England, Wales and Northern Ireland, as well as schools in Scotland, manage the budget for staff salaries. However, the local authorities or appropriate ministerial departments administer payment of the latter and, in the case of Scotland, also recruit staff. Furthermore, some schools in Denmark, schools in the Netherlands, certain Finnish schools and some schools in the United Kingdom (England, Wales and Northern Ireland) remunerate teachers directly. In this respect, Sweden is an extreme case because schools also decide on the salaries of their teachers.

The most extensive and least frequently encountered kind of autonomy shown in Figure 2.12 relates to staff resources and operational resources in the broad sense allocated in global form. It exists in secondary education in the Netherlands, in the United Kingdom, in some Finnish schools, and in a few isolated instances in Sweden.

Finally, the management of fixed capital resources (immovables) is less frequently a school responsibility. It is to be found solely in the schools of some municipalities in Denmark in the case of minor building works, as well as in schools in Sweden and the Netherlands, Irish primary schools and *voluntary secondary schools*, and grant-aided private schools in Belgium.

FIGURE 2.12: SUMMARY OF THE AREAS OF FINANCIAL RESPONSIBILITY IN WHICH SCHOOLS ARE AUTONOMOUS, BY CATEGORY OF BUDGETARY HEADING, 1997/98



☐ Autonomy in the management of one or several budgetary heading(s) for which schools have a fixed amount of money or a credit line.

☐ Autonomy in the management of staff resources awarded in kind, as an overall allocation of teaching time (in hours or 'teacher-periods') to be distributed among classes and school subjects.

☐ Autonomy limited with respect to a budgetary heading. This may be because applications affecting the amount of a budgetary heading have to be made to a higher authority, because an allocation covers only a small share of a budgetary heading, or because a cash allocation is intended solely for resources of which the amount is fixed at a higher level.

☐ No autonomy.

✗ Staff are recruited by schools.

○ Ongoing reform or experimentation regarding one or several categories of expenditure.

The absence of any vertical separation between resource categories means that resources are allocated in global form or that they may be grouped together within a single school budget, or that schools may transfer amounts between them.

Source: Eurydice.

Additional notes

In Denmark, Austria (the *Hauptschulen* and *Polytechnische Schulen*), Finland and Sweden, the delegation of financial responsibilities to schools depends on the municipalities, with the main patterns of delegation shown in Figure 2.12.

Belgium: a. public-sector; b. grant-aided private sector. In the public sector, only schools administered by the Flemish Community recruit their teachers.

Ireland: a. *vocational schools* and *community colleges*; b. *community* and *comprehensive schools*; c. primary and *voluntary secondary schools*.

Austria: a. primary schools, *Hauptschulen* and *Polytechnische Schulen*; b. *allgemeinbildende höhere Schulen*. Some municipalities have granted a form of autonomy in the area of operational resources management to the *Hauptschulen* and *Polytechnische Schulen*.

United Kingdom (E/W/NI): The former *grant-maintained schools* were autonomous in terms of financial responsibility for capital resources, for which they received an annual capital allocation.

III. HISTORICAL AND CONTEXTUAL ANALYSIS

Although almost every European Union and EFTA/EEA country can point to one or several measures involving decentralization in the last 30 years, this cannot be regarded as evidence of a general trend, as the nature and extent of decentralized responsibilities vary so widely. Decisions may be about the scale of resources to be allocated to schools or concern the identity of the authority that acquires goods and services. They may relate to staff, operational goods and services, or capital. In order to appreciate this diversity, a distinction will be drawn between measures for decentralization that involve a transfer of responsibilities between the public authorities themselves or, in other words, between the central or national-level government and intermediate authorities (Chapter 2, point III.A), and those under which this transfer is between the public authorities and schools (Chapter 2, point III.B).

The structure of Chapter 2, points III.A and III.B is similar. After analysing the different kinds of transfer and the circumstances in which they occur, we shall undertake a systematic comparison of aims and factors underlying the reforms, and conclude with an evaluation of the most important measures. Measures involving decentralization are often supplemented by alterations in the method of calculating grants. These changes are referred to in the present chapter, but dealt with more thoroughly in Chapter 3.

A. TRANSFERS OF RESPONSIBILITY BETWEEN THE CENTRAL GOVERNMENT AND LOCAL AUTHORITIES

A.1. DIFFERENT KINDS OF TRANSFER

In all measures relating to the period under consideration, four major kinds of decentralization may be distinguished, and two categories of measures aimed at placing decision-making control at the centre. These six broad kinds of transfer are examined separately as follows:

- transfers towards officially designated 'Communities';
- a transfer of responsibility for the financing of resources, from the central government to a local authority whose management responsibilities are extended;
- the simultaneous transfer of responsibility for financing and management from the central government to a local authority;
- decentralization solely of responsibility for making regulations, with local authorities already in charge of funding and management of resources;
- transfers of responsibility for funding aimed at strengthening central government control;
- the introduction of national regulations aimed at strengthening central government control.

For each kind of transfer of responsibilities, the reforms implemented are first described and then followed by an analysis of their aims and the circumstances under which they occurred. A comparison with countries in which the situation is similar is provided wherever possible. Attention will also be drawn to the processes of regulation/deregulation which, in certain cases, have occurred at the same time as, or followed, the transfer of responsibilities for funding from central government to the local authorities. Indeed, the room for manoeuvre of these latter authorities depends on the degree of regulation to which they are subject. Deregulation tends to strengthen the scope for decision-making by local authorities and weaken the power of central government. Conversely, country-wide regulation tends to strengthen central government power.

A comparison with countries in another category reflecting a closely similar situation is offered wherever possible.

Figure 2.13 shows which countries are affected by the various measures.

FIGURE 2.13: KINDS OF TRANSFER BETWEEN PUBLIC AUTHORITIES OBSERVED BETWEEN 1970 AND 1998

DECENTRALIZATION TO COMMUNITIES	DECENTRALIZATION OF FINANCING	DECENTRALIZATION OF FINANCING AND MANAGEMENT	DEREGULATION	CENTRALIZATION OF FINANCING	NATIONAL REGULATION
B, **E**	**DK**, **FIN**, **NO**, **S** (staff), **NL** (capital)	**F** (capital and operational resources), **I** (school-related assistance), **P** (canteens and transport), **IS** (staff)	**I** (capital), **D** (capital)	**NL** (capital) (*), **P** (canteens), **UK** (*)	**UK** (regulation regarding the distribution of resources among schools)

(*) Provisional measure

Source: Eurydice.

A.1.1. Transfers towards Communities

This process has occurred in two countries, Belgium and Spain, where all responsibilities for education have been transferred from the central government to the Communities, which are 'linguistic' Communities in the case of Belgium and Autonomous Communities in Spain. The aim of this decentralization extends well beyond education alone, as it is part of a very broad reorganization of state authority.

Reforms concerned with responsibility for financing and managing resources

In Belgium, 1989 marked the culmination of a long process in which, from 1971 onwards, the Communities gradually assumed full responsibility for education. The Community Councils regulate, by decree, all matters related to education, except three which remain the responsibility of the federal government, namely specifying the beginning and the end of compulsory education, the minimum conditions for the award of diplomas and the arrangements for teaching staff pensions. In 1989, in the Flemish Community of Belgium, the transfer of responsibilities went a stage further when an autonomous body, the ARGO, took over the management of school operational and capital resources in the (public) Community sector from the Flemish government. In a similar development in the French Community in 1993, companies governed by public law were later to assume responsibility for the management of school buildings.

In Spain, the Basic Law on the Right to Education (LODE) regulates the decentralization of education from the central government towards the regional governments. The political will to decentralize was already reflected in the 1978 Constitution, which stipulated that education had to be managed and financed by the government of the Autonomous Communities, without however excluding the local authorities. In 1997/98, the central government transferred full powers in education to most of the Autonomous Communities. As a result of this decentralization, the governments of the Autonomous Communities took over the financing and management of primary and lower secondary education from the Ministry of Education and Culture. In 2000, all the Autonomous Communities are expected to exercise full powers in the field of education.

In both countries, local authorities have retained their management responsibilities (for further details, see Chapter 2, points II.A and II.B).

Reforms concerned with norms and regulations

As regards the regulation of staff management in Belgium, the Communities themselves determine the salaries and conditions of employment of teachers. Instructions relating to the size of classes have been issued by the French Community for the schools it administers directly. In Spain, on the other hand, salaries and conditions of employment are decided by the central government, although they may be amended in certain respects by the Autonomous Communities. The same applies to regulations concerned with equipment and school buildings. The Communities in Belgium are fully empowered to decide whether or not the construction of school buildings will be subject to certain formal requirements (as when new conditions for the award of capital for new construction and related physical and financial norms were introduced in the French and German-speaking Communities in 1990 and 1993). By contrast, the central government in Spain has continued to issue very precise regulations with which the Autonomous Communities have had to comply. Thus, national legislation was passed in 1991 in the form of a royal decree dealing with institutions offering primary and lower secondary education. It set out minimum standards for facilities and replaced previous legislation dating from 1975 and 1978.

Specific aims and contexts

In both countries, the decentralization of authority in the field of education is part of a sweeping reform of state powers involving amendments to the Constitution. It has gone hand in hand with – or been preceded by – a decentralization of responsibility for cultural affairs. At present, in Belgium, the regions are the competent authorities for economic policies, foreign trade, public works and transport, the environment, energy, science policy, health policy, housing, social action, training, employment, and town and country planning, whereas the Communities are responsible, in particular, for cultural matters and the use of languages, as well as education, teaching, child welfare, youth policies and research. In Spain, the Autonomous Communities are responsible for the organization of their institutions, changes in the boundaries of municipalities, Community-wide planning and development, urban planning, housing, agriculture, the rearing of livestock, cultural development, research and, in certain cases, the teaching of the Community's own native language, social welfare and health care.

Comparison with other similar systems

Up to a point, the increasing transfer of power towards the Communities in Belgium and Spain invites comparison with the German system, in which the 16 *Länder* exercise full powers as regards school education, acting in this respect rather like a State within the federal structure of Germany. However, the essential difference between these systems lies in the financing of education. Whereas in Germany over 90% of the funds for education are provided by the *Länder* and the local authorities, the Belgian and Spanish Communities do receive grants for this purpose from the governments of their countries.

In Belgium, the linguistic Communities receive a subsidy from the federal government to cover the main items of educational expenditure considered as a whole. The amount awarded is calculated with respect to the number of pupils enrolled in each Community. This factor, determining the breakdown of the subsidy among the Communities, was established when transfer of responsibilities to them was completed in 1989, but was not scheduled for implementation until 1999. During the transitional period, it was agreed that there would be a gradual transition from a budgetary distribution to the one based on the number of pupils.

From 1989, the French Community experienced great difficulty in meeting educational expenditure on the basis of a virtually fixed amount, which led to the transfer, in 1993, of responsibilities for school buildings to public law societies set up by the Regions of Wallonia and Brussels. This went hand in hand with further ad hoc funding of the Community by the Regions. In 1999, the formula for distributing resources between the two Communities was revised by the federal authorities, thus resolving a politically sensitive issue. These events demonstrate the limits on the power of the Communities. Nevertheless, it is normal in Belgium to regard the Community as the 'central' or top-level authority for education, rather than the federal government.

In Spain, the Autonomous Communities that exercise their full powers in the field of education make use of subsidies from the central government, which are directly transferred, on the one hand, to their department or council for education and, on the other, to their finance department. In addition to these allocations, the Autonomous Communities use their own revenue to finance educational expenditure. It should also be remembered that, in Spain, unlike the two other countries (Belgium and Germany), the Ministry of Education still has a part to play at national level, and continues to draw up a general framework for the curriculum. It is also worth noting that in Germany and Spain, salaries are determined at federal level (the Federal Act on remuneration of civil servants) and central level respectively whereas, in Belgium, the Communities are responsible for this task.

A.1.2. Transfer of responsibility for financing from the central government to a local authority whose management responsibilities are extended

This process is to be found in three Nordic countries, Denmark, Finland and Norway, where it applies to all categories of resources. In these three cases, the system for the management of educational resources was already relatively decentralized before the really extensive decentralization of funding. The municipalities recruited teachers and saw to the purchase of operational goods and the construction and maintenance of school buildings. Central government dealt with the financing of education by granting specific allocations to the municipalities or reimbursing their expenditure. Full-scale decentralization was thus concerned with the issue of financing, since it extended the responsibility of the municipalities for defining both the overall amount to be earmarked for education, and the specific amounts to be allocated to the various categories of resources.

In Sweden, transfer of the responsibility for financing related primarily to human resources. Prior to the measures to decentralize, the municipalities were already responsible for deciding the amount of resources that would be earmarked for operational and capital expenditure.

Expenditure on capital alone has also been subject to a similar process in the Netherlands. In the case of staff and operational resources, however, procedures are different in that their management is decentralized to schools (see Chapter 2, point III.B).

Reforms concerned with responsibility for financing and determining the amounts involved

Denmark began its reform of administrative structures as early as the 1970s. Previously, municipalities decided on expenditure (for the recruitment of teachers, operational goods and services and immovable property) and were reimbursed by central government, on a proportional basis in the case of salaries (up to 85% in 1958). From 1975 onwards, this system of reimbursement gave way to a global allocation intended for all services offered by local authorities, and awarded in accordance with objective criteria (total number of residents, the number of children aged 6 or under, the number of children in the age-group subject to compulsory education, the number of elderly people, the total length of public highways, and area). This allocation supplemented the municipalities' own income.

In Norway, funding of all resource categories, including supplementary resources for special education, was decentralized over ten years later in 1986. The central government transferred a block grant to local authorities on the basis of objective criteria, corresponding to quantifiable characteristics on which their own actions could have no impact. The grant supplemented their income from taxation, and included an element for balancing out inequalities. In the previous system, the municipalities handled the acquisition of goods and services. The government bore the major share of expenditure by means of grants earmarked for specific purposes and reimbursements.

In Sweden, reform of the financing of education began in 1991, and occurred in two stages. Before 1991, basic staff resources were allocated to local authorities for each school. This method was relatively inflexible, given the close link between the structure of the school and very precisely defined budgetary headings. The room for manoeuvre of the municipalities was thus fairly limited. From 1991, they became entirely responsible for the management of compulsory (and upper secondary) education. The same year, they received their subsidies for all schools they managed in the form of grants earmarked for specific purposes, whose amounts were fixed on the basis of a standard system for assessing their needs. Municipalities had greater latitude in deciding on the means to be used for meeting these priorities, the way work was to be organized and the resources that were to be invested in education. In 1993, grants earmarked for specific purposes were replaced by a so-called state equalization grant to municipalities for all the services for which they were responsible including education. The grant ironed out differences between them in terms of income obtained from tax revenue, and was administered by the Ministries of Finance and the Interior. Resources allocated to the municipalities by the central government were calculated with reference to certain variables making it possible to offset the effects of geographical, socio-economic and demographic disparities (1).

In Finland, until 1993, central government repaid a percentage of the real costs of most services provided by municipalities. In 1993, this system was subjected to an overhaul as far as education was concerned. It was replaced by a grant from the Ministry of Education to the municipalities, which decided how much and how they would invest in education. The grant from the Ministry was no longer used to regulate financial inequalities between municipalities. As in Sweden, this was done by adjusting income from taxation, and was the responsibility of the Ministry of the Interior and the Ministry of Finance. In 1996 and 1997, this mechanism was revised (see Chapter 3).

In the Netherlands, the move to decentralize occurred in 1997. For years, municipalities had enjoyed a large degree of autonomy as regards the construction of school buildings. They committed expenditure to meet school requirements for which they received government compensation. A first attempt to end this state of affairs, in which the government had no control over the scale of expenditure, occurred in 1981 and involved centralizing financial decision-making (see Chapter 2, point III.A.1.5). Since 1997, decisions on the amounts of expenditure for building purposes have been decentralized once more to the municipalities, but in accordance with arrangements under which the government is able to regulate its own contribution. What it does is to pay a fixed amount to the Municipal Fund which then awards the municipalities a block grant for equipment, from which they can finance the building of schools on an entirely autonomous basis.

Reforms concerned with norms and regulations

From the standpoint of regulations concerned with salaries and conditions of employment, trends in the four Nordic countries have differed. In Denmark and Sweden, the responsibilities of the government in its capacity as employer have been decentralized to the municipalities. This transfer has given rise to different results in both countries as far as the conditions of employment of teachers are concerned.

In Denmark, moves to deregulate occurred well after the decentralization of responsibilities in the area of funding in the 1970s. Indeed, it was only at the end of the 1980s and, more particularly the 1990s, that the various measures aimed at abolishing national regulations began to materialize.

The municipalities saw their room for manoeuvre extended in 1990 by deregulation measures relating to staff, when they became responsible for employing staff who were not formally qualified teachers to provide instruction in certain specific areas in public-sector schools. The aim was to increase their autonomy and facilitate municipal control over the cost of teaching staff at a time when there were increasingly fewer children. In addition, provisions relating to the maximum number of lessons a week were scrapped, so that municipalities could arrange more lessons for pupils rather than lowering the pupil-to-teacher ratio while enrolments were falling. However, the working conditions of teachers in the public sector (particularly as regards the maximum size of classes) and the scale of their remuneration remain the subject of a national agreement negotiated by the National Association of Local Authorities and the teachers' union. A new salary scale has also just been introduced (1999/2000) resulting in extra pay for staff who meet targets and take on additional special responsibilities.

Sweden abolished national requirements relating to working conditions (class size, pupil/teacher ratios), conditions of employment (order of priority based on criteria such as the number of years' service, level of education, etc.) and national salary scales in the period around 1991 when responsibility for schools was decentralized to local authorities. Previously, municipalities acted as employers, but were not in a position to regulate working conditions. The power of the government to determine salaries and conditions of employment was the means by which it normally exerted its influence over the education system. In 1991, responsibility for regulating staff employment conditions was thus transferred from central government to each of the parties concerned. Following this move, municipalities became free to set their own regulations relating to staff selection, although still with regard to general employment regulations such as non-discriminatory treatment of applicants (vis-à-vis their race, sex or other criteria). Salaries were paid on an individual basis and negotiated at local level. However, in 1996, the teachers' union and the Swedish Association of Local Authorities reached an agreement that laid down certain minimum salaries. A further agreement is coming into effect in 2000.

---

(1) The Swedish government has since awarded no special grant for education to the municipalities. However, it should be noted that the draft budget for 2001 provides, among other things, for the government to award to the municipalities over a five-year period additional resources to be used specifically for the employment of staff in schools. The purpose of the award will be to help schools attain the objectives set out in the curriculum. One of the reasons for an additional grant at this time is the reduction in resources to schools that were made at the beginning of the 1990s. At the end of the five years, these additional resources will be included in the global allocation to the municipalities from the government.

In Finland, municipalities have always been responsible for employing teachers. In 1970, enactment of a law on collective bargaining in the municipalities supplemented a whole body of already existing employment legislation and collective bargaining arrangements. The new law precisely defined the room for manoeuvre of municipalities – or of schools if the responsibility was delegated to them – regarding the salaries and employment conditions of teachers. An aspect of staff working conditions which has been taken over by the government and then transferred back to the municipalities in the last three decades is in-service teacher training. With the introduction of the single structure school (the *peruskoulu*), the State began to assume control over this area in the 1970s. The requirements regarding annual in-service staff teacher training were set out in collective agreements and legislation. However, recently, responsibility for this matter has been handed back to the municipalities as an integral part of the general administrative decentralization of the 1990s.

As regards terms of employment in Norway, staff salary scales were previously governed by national-level agreements without any room for manoeuvre on the part of municipalities. Local adaptations within this national framework have only become possible very recently (1999). In 1986, reforms concerned with class sizes and teaching hours, which occurred at the same time as moves to decentralize, had important consequences for the management of teaching staff resources by municipalities. A reduction in the size of classes combined with a decrease in staff teaching hours and more hours of instruction for pupils entailed an increase in teacher/pupil ratios.

As regards school buildings, deregulation appears to have been the norm. In the four Nordic countries, there have been no specific regulations relating to school building works. Municipalities have to conform to the regulations applicable to the public service in general. In the Netherlands, transfer of responsibility for financing school buildings, from the government to the municipalities, went hand in hand with deregulation.

Specific aims and contexts

In the four Nordic countries, the aims of decentralized funding have been of a similar nature. The main ones are to grant greater autonomy to municipalities, to balance out resources between them, or between the richest regions and those less well endowed, and to forge a close link between management and financing responsibilities so that municipalities keep their expenditure within reasonable limits. This final aim was more marked in countries in which the system for state support to the municipalities was based on repayments. The greater the amount reimbursed, the more the need to associate management and financial responsibilities made itself felt. As a result, it was experienced particularly strongly in Denmark, Finland and Norway.

From the 1960s onwards in Denmark, policy-makers regularly considered whether a continued system for repayment of the educational expenditure of local authorities was appropriate. Several questions were raised: did it make sense to continue with a system under which central government bore an increasing share of the financial burden as a result of previous economic recessions, particularly in a national context in which local autonomy was becoming more widespread? Did the system fairly offset inequalities between municipalities? Furthermore, the separation of management and financial responsibilities was increasingly criticized.

A committee set up by the government to consider the matter revealed that a system of repayment which really ironed out differences between municipalities would lead to very high rates of repayment. Consequently, they would be tempted to indulge in excessive spending, as they would no longer have to contribute to anything but a modest share of the funding. This expenditure would have to be borne by central government. Various reports recommended revision of the system. In the same period, the government sought to cut the contribution to salaries it repaid to municipalities, and introduce other arrangements instead. In 1969, it passed a law which reduced these repayments and introduced a new levelling-out mechanism, a per capita grant, as well as subsidies for municipalities with the least money. This law was the start of a process of transferring responsibilities from the central government to the local authorities, which lasted five years. The following year, a social democrat government abolished the per capita grant, and introduced a system intended to bring municipalities with a below-average income up to a level equivalent to the average. In 1971, a further law was passed introducing a grant on the basis of objective criteria. In 1975, the repayment of salaries, the last remaining element of the former system, was abolished.

The aims of the Finnish reforms were similar. They were fairness, especially between regions, and financial responsibility and autonomy for the municipalities. At the end of the 1980s, in a period of economic growth, the municipalities began to call for more autonomy. The main argument of local policy-makers was that they could achieve better results if there was less central supervision. Their pressure led to the reform of 1993. However, it occurred in a very different economic climate, as the economic growth of the 1980s had given way to a serious recession. As a result, the move from a system of financing based on real costs (proportional repayment) to one based on a per capita formula became important for the national economy, since it could encourage municipalities to improve their cost-effectiveness. The 1996 revision of the system was inspired once more by the twofold question of fairness vis-à-vis the municipalities and the control of public expenditure. This was because the system of classifying municipalities in accordance with their financial capability, which had been adopted in 1979 (and took account of revenue but also expenditure), required adjustment. As government support was proportional to the financial difficulties of municipalities (fuelled in turn by economic recession), the latter were under no pressure to economize and their public expenditure continued to grow. The new system introduced in 1996/97 balanced out the income from municipalities within a fixed budgetary framework, withdrawing money here to allocate it elsewhere. Meanwhile, the grant from the Ministry of Education enabled features of the school network to be taken into account very precisely in expenditure linked to regional characteristics (such as population settlements, etc.).

One principle underlying the 1986 reform in Norway was, as in the other countries, financial responsibility – the belief that the agency responsible for practical decisions also had to be responsible for the control of expenditure and funding. This principle was out of tune with the former method of financing which attributed the main burden of expenditure to central government, while encouraging local government to spend more. Another basic idea of the reform was that efficiency was improved when decision-makers were close to where needs arose, in which case they were better placed to identify the solutions and priorities best suited to the local context. Taken together, these two central principles were a strong argument for the autonomy of local authorities.

In Sweden, the method of central government support, in which the award of public resources depended on the characteristics of schools, was not conducive to municipal initiative. At the time of the 1991 reform, policy was geared to the development of a performance-based method of management, when the economy was worsening and there was growing demand from society for greater control of public expenditure, particularly on education. The aim was to enhance the performance of the agencies involved. Decentralization and deregulation were seen as the best way of respecting these priorities. What appeared fundamental was the freedom of municipalities not only to rationalize and assess the way education was organized, but to allocate resources and adapt educational and administrative practice to changing social and economic circumstances. Introduced in 1993, the system of grants for ironing out inequalities was meant to ensure that each municipality and county had to contend with equivalent financial conditions in what had become a very difficult economic situation.

The objective in the Netherlands has also been to strengthen the position of the municipalities. This aim has been reflected in a variety of decentralization measures concerned with special resources for schools attended by pupils from disadvantaged social backgrounds (see Chapter 4), as well as in developments relating to capital resources. Municipalities, indeed, appear better able to manage schools in a way that is responsive to their differing needs. Schools themselves are regarded as less well equipped to do this, as they are generally considered to be too small to undertake major capital investment. It is also felt that their limited size prevents them from developing the flexibility required to economize where possible on their resources, so that they have enough reserves at their disposal when further expenditure is called for. Municipalities that so wish may nevertheless delegate the management of this budget to schools.

Comparison with other similar systems

The systems introduced in the four Nordic countries may no doubt be compared to procedures for funding and resources management in the United Kingdom, where the main responsibility for financing and managing schools has for decades been assumed by the local authorities. The central government assesses the needs of local authorities and their potential income as the basis for a so-called *revenue support grant*. However, there is a key difference between these countries, which will be discussed further in Chapter 2, point III.B. In the United Kingdom since 1988, considerable management responsibility has been devolved from the local authorities to the schools, substantially reducing the decision-making power of the former. By contrast, in the Nordic countries, legislation enables the municipalities to delegate all or some of their responsibility for the acquisition of goods and services to schools. The decision-making power of local authorities thus remains intact, since it is they that decide whether or not their responsibilities will be so delegated.

The situation in the Netherlands is comparable to that of the United Kingdom as far as the financing of capital resources is concerned. However, there is a difference in terms of management in so far as the 1997 law allowing Dutch municipalities to delegate their responsibility for managing capital resources to schools has no counterpart in the United Kingdom. As to staff and operational resources, they are awarded by bodies situated at different levels (that of the Ministry in the Netherlands and the local authorities in the United Kingdom). On the other hand, enrolments are a very significant consideration in the way these resources are distributed among schools in both countries (see Chapter 3).

A.1.3. The simultaneous transfer of responsibility for funding and management from the central government to the local authorities

Four countries have experienced this particular kind of transfer. In France, it affected only operational resources and immovable property in secondary education. The transfer to the *départements* of responsibility for operational resources related solely to their funding, as their management was handed over to the schools.

Decentralization in Italy was concerned with the issue of *assistenza scolastica* (school-related assistance) which included, amongst other things, meals, school transport and books. In Portugal, it related to the construction of school buildings for the first stage of *ensino básico* (basic education).

In Iceland, decentralization affected all categories of resources and took place in two stages. Simultaneous decentralization of responsibility for both financing and management occurred only in the case of staff resources.

However, unlike the Nordic municipalities which had some experience of managing educational resources, the French *départements*, and the municipalities in Italy, Portugal and Iceland, had to develop their responsibilities in the areas concerned from scratch. As in countries in the preceding category, these provisions for decentralization were supplemented by a method for calculating the block grant intended to offset inequalities in municipal resources.

Reforms concerned with financing and management

Until 1983, all decisions regarding expenditure on staff, operations and capital in secondary education in France were taken by central government. Thus, for school buildings, the Ministry determined formal building requirements, made out an order and saw that the work was properly executed. In 1983, with the legislation on decentralization, these responsibilities were delegated to the *départements* in the case of lower secondary education (and to the regions in the case of upper secondary education, which is outside the scope of the study). The central government retained responsibility for the financing and administration of teaching and non-teaching staff, and other formally decreed items of educational expenditure.

Each *département* now had the right to determine its own formal building requirements, priorities and procedures. It can also establish the scale of resources and receives from the central government a block grant for operational purposes, and a grant for building installations and other facilities. The balance is made up from its own resources. In addition to this reform, there was devolution of

BEST COPY AVAILABLE

responsibility for the acquisition of operational goods and services to the lower secondary schools, the *collèges* (see Chapter 2, point III.B).

In Italy, the 1977 law transferred the various responsibilities associated with school-related assistance, from the government to the municipalities. The latter were thus empowered to decide the amount of resources they would earmark for *assistenza scolastica*, and how it would be distributed among schools.

In Portugal, responsibility for the financing and management of the construction of school buildings associated with the first stage of *ensino básico* was transferred to the local administration in 1979. The buildings are the property of the municipalities.

The 1989 law in Iceland altered the way responsibilities were shared between the government and the municipalities. It increased the competence of local authorities in the field of education, in that they became responsible for building and operational activity. Management of staff remained a central government prerogative until 1996 when its transfer to the local authorities made them entirely responsible for schools.

Reforms concerned with norms and regulations

Special education-related regulations regarding standards for the construction of school buildings in France, were gradually abolished at the same time as responsibility for the financing and management of fixed capital assets was decentralized from the government to the *départements* in 1983. The local authorities concerned simply have to comply with the standards that apply to public premises. With the legislation on decentralization, regulation of the construction and initial fitting out of primary schools also changed when the municipalities became responsible for school buildings. Although there is no list of expenses for which municipalities are responsible, certain kinds of operational expenditure are regarded as compulsory, and can be automatically included in the budget of municipalities which have not provided for them.

In Italy, decentralization of responsibility to the municipalities for the funding and management of *assistenza scolastica* occurred in 1977 following a transfer of regulatory responsibility from the government to the regions. In 1972, the regions were designated administrative and legislative responsibilities in this area.

In the management of staff in Iceland, account must be taken of norms relating to class sizes. These norms were adopted by the Teachers' Organization and the National Association of Local Authorities in the mid-1990s, and referred to the provisions of earlier legislation in 1991. The municipalities became the employers of teachers in 1996 and, although this gave them the power to set salary scales at local level, their original intention was to negotiate salaries collectively in order to maintain a degree of national uniformity. This has not been achieved, as some municipalities have broken ranks by proposing higher salaries. As regards expenditure relating to the operational costs associated with the buildings and learning environment, municipalities must have regard to general health and safety regulations, and respect spatial/dimensional and other requirements applicable to schools undergoing construction. Municipalities have not had to comply with any particular set formula when calculating the amount of resources to be allocated to schools. The general rule is that schools have to receive enough resources to operate in a way consistent with laws and regulations.

Specific aims and contexts

The aim of the legislation on decentralization in France was to increase the responsibilities of local authorities as a part of making each school more responsive to its immediate environment. It was not meant to increase the financial responsibilities of local agencies, in order that greater awareness of costs would lead them to restrict their expenditure, as was the case in several Nordic countries. Decentralization in France thus more closely reflected concern that the management responsibilities of local authorities should be extended so that decisions could be adapted to a wide range of needs. In political terms, the laws on decentralization occurred after the Left came to power in 1981. They were part of a state reform intended to improve the workings of public administration by bringing decision-making closer to the people. This change in the way power was divided between central and local government was also evident in sectors other than education. Decentralization was accompanied by important new arrangements involving the outward transfer of ministerial decision-making power to the *rectorats* and the *inspections d'académie*, in particular in the area of staff management.

In Italy, reform was part of general moves to enhance local autonomy. The responsibilities of the region were gradually broadened from the 1970s onwards, in education as well as in other areas. This process of decentralization, which had a significant impact on how schools were managed, also affected the local authorities and, in particular, the municipalities, whose responsibilities were to be extended well beyond their customary tasks which had been concerned with providing premises and other services. In particular, a law of 1996 confirmed that they should be responsible for the upkeep of buildings, as well as expenditure on equipment and school furnishings (see also Chapter 2, point III.A.1.4).

In Portugal, reform affected solely those schools offering the first stage of *ensino básico*. Its equivalent at the level of the second and third stages has been the devolution of government responsibilities to the regional administrative services, the *Direcções regionais de educação* (DRE), which occurred in 1987.

In Iceland, reform was rooted in the conviction that, if decision-making was brought closer to where needs were actually experienced, better use of existing facilities would result in improved efficiency. Furthermore, financing and staff management were decentralized in 1996, so that local authorities could exercise greater initiative and improve the quality of education. It was part of a general move to decentralize government responsibility to the local authorities. The political will to transfer power to the local level has steadily intensified in the last ten years, as Iceland has had to face up to extensive urbanization. At present, 50% of its inhabitants live in the capital and this figure is still rising. This trend has led to major changes in rural areas, and the decentralization of government responsibility to the local authorities is partly intended to encourage them to cooperate and pool their efforts.

Comparison with other similar systems

The laws on decentralization in France and Iceland are different from the transfer of responsibilities to the Communities that occurred in Belgium and Spain in that they did not fundamentally reform the structure of the State. However, decentralization in France did have one key characteristic in common with the measures in the latter two countries, namely that the agencies which assumed financial and management responsibilities had no previous responsibilities for education. In Iceland, the sole responsibility of the municipalities before the laws on decentralization was the upkeep of school buildings.

Italy was characterized by extensive decentralization towards the regions which began in 1971. Transfer of responsibilities in the area of school-related assistance was one of the first tangible expressions of the constitutional principle under which they were invested with various legislative and administrative responsibilities (concerned with the upkeep of public buildings, economic development and the provision of social services). The hitherto limited activities of the municipalities in the education sector were extended to include responsibility for the construction of school buildings.

With its legislation on decentralization in 1983, France devised a system for financing resources for secondary education, which was close to the one in Portugal (for schools offering the first stage of *ensino básico*), but also to those in Spain (in the case of primary schools) and Austria (for the primary schools, *Hauptschulen* and *Polytechnische Schulen*). In all these countries, the division of responsibilities for financing has involved the central government (or the top-level authority for education), which handles staff resources, and the local authorities, which fund operational resources and immovable property. Overall resources management has been the task of the bodies responsible for funding (the central government, *Land* or Autonomous Community, in the case of staff, and the local authorities for immovable property). As to the management of operational goods and services, this is sometimes carried out by schools, and sometimes by municipalities (see Chapter 2, points II.B and II.C for further details on the current situation, and Chapter 2, point III.B on the devolution of responsibilities to schools).

Provision for decentralization in Iceland is such that educational resources are financed and managed in a way which is very similar to that of the other Nordic countries, where local authorities are entirely responsible for this task.

A.1.4. Deregulation

Developments in Germany and Italy related to school capital resources have been somewhat different.

Reforms

Over the last three decades in Germany, there has been evidence of moves to gradually transfer responsibility for the formulation of standards relating to school buildings, from the *Länder* down to the municipalities.

In Italy, the local authorities (the municipalities) have customarily been responsible for financing and managing school building work. This task was for a long time carried out in compliance with requirements and plans laid down by the government or decentralized branches of it. In order to offset the heavy burden on municipalities, the former intervened by providing direct funding. In 1967, the various responsibilities incumbent on government bodies were defined in a law concerning government financing for new school building schemes. Thus the central department of the Ministry of Education determined at national level the criteria for evaluating school building requirements, multiannual programming and the breakdown of financing among the regions. The *sovrintendenze scolastiche regionale* set up under the same law carried out the regional programming of school buildings and, from 1988 onwards, at provincial level, the *provveditorati agli studi* dealt with plans for their use.

The thrust of the reforms was to transfer responsibilities assumed by central and decentralized branches of the government to the local authorities. In 1972, administrative tasks related to programming and school building work carried out by the municipalities were transferred from the (central and decentralized branches of the) government to the regions which possessed 'ordinary status'. In 1975, a decree laid down fresh general principles and national technical specifications that the regions had to respect in the programming and enactment of regional legislation for the building of schools. In 1977, the directorate-general for school buildings and furnishings, which was responsible to the Ministry of Education, was abolished.

In 1998, programming of the school network was transferred from central government to the regions. The tasks of drawing up the plan for the use of school buildings, establishing, closing or merging schools and administering the school network at local level were transferred from the government branches in the provinces (the *provveditorati agli studi*) to the municipalities (in the case of compulsory education). However, the Ministry remained responsible for fixing the criteria and considerations which the regions and local authorities had to take into account when programming was carried out.

Specific aims and contexts

In both countries, the aim of these reforms was the development of local autonomy.

In Italy, they embodied the constitutional principle of the decentralization of government responsibility to the regions in both legal and administrative terms. Matters of exclusively local interest became the concern of the provinces or municipalities. It should be noted that, in the 1970s, whereas decentralized branches of the Ministry handed over responsibility for school buildings to the local authorities, other tasks were transferred from central government to its area-based branches. A case in point was the administrative management of teaching and non-teaching staff, which the *provveditorati agli studi* took over at provincial level in 1974. It should also be mentioned that, with the implementation of school autonomy in 2000/2001, management of staff is being transferred to schools (under the 1999 regulation on autonomy).

Comparison with other similar systems

The processes of decentralization or devolution of decision-making powers which took place in Italy, led to a situation very similar to the one which resulted from the reforms for decentralization in France. The management of staff is broadly the responsibility of the area-based branches of central government, with the management of physical resources undertaken by the local authorities. However, one difference should be noted. In the case of the French *collèges*, the *départements* have been responsible for capital resources and not the municipalities, as in Italy.

A.1.5. Transfers aimed at strengthening central government control

While the general trend is one of decentralization to the municipalities of central government responsibility for financing and management, several other kinds of contrary trend may be noted. Among them are, first, the transfer from local level to the centre of responsibility for decisions concerned with determining the scale of resources distributed by local authorities and, secondly, the transfer of responsibility for funding from the local authorities to central government. Such transfers have been observed in four countries. The first kind has been witnessed in the Netherlands and Austria. Arrangements under which the government reimburses expenditure by intermediate authorities have been replaced by a reasonably comprehensive allocation calculated in accordance with the number of pupils (see also Chapter 3). The second kind is exemplified by the United Kingdom, where it was possible between 1988 and 1998 for schools to become *grant-maintained schools* directly financed by central government and released from *local education authority* (LEA) control. It is also apparent in Portugal in the case of expenditure on refectories which, although of fundamental importance, are considered here to be a secondary resource.

Reforms

In the Netherlands, the government tightened its control of capital resources between 1981 and 1997 when it decentralized this responsibility to the municipalities. As pointed out in Chapter 2, point III.A.1.2, municipalities enjoyed considerable autonomy in this area before 1981. Between 1981 and 1997, the government drew up the fixed annual budget for capital expenditure, and allocated funds from it for projects which were submitted by the municipalities, and approved in accordance with a priority rating.

In Austria, in the 1970s, the federal authorities strengthened their control over the scale of resources that the *Länder* allocated to primary education, by replacing procedures for reimbursing them with an allocation based on a set of variables, including the number of pupils. Until then, there were no formal mechanisms for transferring money from the federal government to the *Länder*, which received what they requested. Futhermore, regulations concerning class sizes in secondary education (1983, 1985 and 1988), the streaming of pupils in the *Hauptschulen*, and the classroom/school environment have reduced the room for manoeuvre of the *Länder* in the management of staff resources.

Portugal has experienced a twofold trend. In 1984, financial responsibility for the transport of pupils, primary school refectories and social assistance to pupils in need was transferred to the local authorities. At the same time, the central government budgetary allocation to them was increased. This provision was amended in 1996 when a protocol was signed by the Ministry of Education and the National Association of Municipalities. It stipulated that, in the case of school refectories, local authorities would be expected to make no more than a financial contribution to help cover meal costs. Their share in this respect would be equivalent to that of the DRE. Refectory administration costs were thus borne by the Ministry of Education.

Until 1988 in the United Kingdom, the financing and management of school resources was primarily undertaken by the local authorities which administered schools from their own funds and a government subsidy. The system was thus highly decentralized. Local authorities enjoyed full autonomy with all categories of resources. The legislation in England and Wales in 1988, and in Scotland in 1993, enabled any school that so wished to become independent from the local authorities, as a *grant-maintained school*. Schools with this new status received their subsidies directly from the centrally administered *Funding Agency for Schools* (FAS) in England and the Welsh Office in Wales and no longer from their local authority. Responsibility for financing them thus became centralized (as the local authority no longer took any decisions on funding). This measure went hand in hand with a decentralization to schools of responsibility for acquiring goods and services (see Chapter 2, point III.B). In Northern Ireland, legislation in 1989 allowed for the setting up of *grant-maintained integrated* schools with the specific aim of providing schools where Catholics and Protestants could be educated together. These schools are directly funded by the Department of Education (Northern Ireland), DE (NI).

Legislation passed in 1998 abolished *grant-maintained* status in England and Wales and the FAS. LEAs once more took over responsibility for financing these schools from 1 April 1999 but within a new funding framework, *Fair Funding*, which aims to give all *maintained schools* the same high level of autonomy.

Specific aims and contexts

The circumstances under which the various measures to centralize responsibility were introduced varied somewhat.

Thus the system which predated the 1981 reform in the Netherlands, giving municipalities the autonomy to commit funds and obtain compensation from the government, gave rise to a conflict of interest between the two levels of decision-making at a time of falling school enrolments when, paradoxically, the number of school building schemes was growing. This conflict explains why the government decided to take over responsibility for the total amount of funding earmarked for buildings.

In Austria, the decision to reduce the room for manoeuvre of the *Länder* in the management of staff resources was taken at a time when the number of pupils was falling, whereas the number of teachers remained constant. The imbalance in the school population and the number of teachers was such that a redistribution of responsibilities had to occur.

In Portugal, the recent initiative under which the central government assumed responsibility for financing school canteens resulted from the inability of the municipalities to cover meal costs and the gradual closure of many school restaurants, which also called for a transfer of competence.

Legislation in the United Kingdom was part of the general thrust of the 1988 reform, which was aimed at limiting the role of the local authorities and making schools compete with each other. Further details about this are provided in Chapter 2, point III.A.1.6.

A.1.6. Introduction of national norms and regulations

In the United Kingdom, central power has probably been most strongly intensified in the area of norms and regulations, with the introduction of regulations aimed at limiting the freedom of local authorities to distribute resources among schools and to manage their resource allocations.

Reforms

In the United Kingdom, England and Wales, as already mentioned above, local authorities had long had decision-making power over funding (in determining the scale of resources) and the acquisition of goods and services. Legislation sought to give them less freedom with the introduction of *Local Management of Schools* (LMS) under the 1988 Education Reform Act. This Act stated that financial resources would be decentralized to secondary schools and the biggest primary schools, and that the amount allocated to each would depend largely on the number of pupils (see Chapter 2, point III.B for further details). It restricted the freedom of LEAs to decide the amount of funding for schools and how funds should be allocated to schools under their jurisdiction. Instead, delegation of management responsibilities had to be conducted in accordance with an individual formula drawn up by each LEA within a framework set by the then Department of Education (in Wales, the Welsh Office, now the National Assembly for Wales). Each LEA's LMS scheme then had to be approved by the Secretary of State before it was implemented. LEAs had to delegate funds to schools which had to be calculated on the basis of stated criteria with at least 75% (80% from 1994/95) of the allocation dependent on the number of pupils. From the standpoint of staff management, LMS obliged LEAs to delegate their responsibilities for the selection and recruitment of staff to *school governing bodies*, and withdrew their right to move teachers from one school to another. Finally, the government maintained many formal requirements related to school buildings. In 1996, there was some deregulation in this respect whereby government guidance replaced regulations with respect to teaching and non-teaching areas in school buildings.

A similar reform was introduced in Scotland in 1993 (see Chapter 2, point II.B for further details). While not seeking to impose a particular model for the allocation of resources, it requested local authorities to develop policies for decentralization on the basis of the number of pupils, as well as further criteria enabling any special needs of particular schools to be taken into account. A fundamental condition attached to this was that local authority allocation methods had to ensure equality of treatment between schools. An earlier decree of 1990 stated that local authorities should identify for the Ministry (the SOEID) the categories of goods and services acquired by the school concerned.

Specific aims and contexts

These measures in the United Kingdom occurred at a time of growing unease about the quality of education. The Conservative government of the period thus sought to apply market principles to the management of education in order to improve its quality and rationalize the management of resources. The idea was to enable schools to act as autonomous units competing for pupils (who themselves were linked directly to resources by an allocation per pupil) in a free market for education. The period was also one of a general lessening in the autonomy of local authorities and greater control by the central government, whose somewhat limited powers were of growing concern to it. Yet few schools opted for independence from the LEAs as *grant-maintained schools*. In 1998, there were 1089 in England, 17 in Wales and 2 in Scotland. Provision for them was abolished in 1998, fairly soon after the Labour Party came to power.

A.2. SYSTEMATIC COMPARISON OF REFORMS AND CONTEXTS

A.2.1. Summaries of trends

In simple terms, 14 countries were involved to varying degrees in transfers of responsibility between their central (or federal) governments and intermediate agencies. Figure 2.14 attempts to summarize the situation in each country at the beginning and end of the period under consideration. It reveals three broad models of decision-making on the funding of education (i.e. determination of the scale of resources). In the first, all decisions of this kind are taken at the centre or by the top-level authority for education. In the second, such decisions are generally sub-divided between the central government which handles personnel (usually teaching staff but also, sometimes, non-teaching staff) and local authorities in charge of other expenditure. In the third model, all such decisions are taken by local authorities.

Next, Figure 2.14 shows that, in 1970, another model for the sharing of responsibilities between central (or federal) government and local authorities existed in three Nordic countries (Denmark, Finland and Norway), as well as in the Netherlands. A variant of model 2, this model differed from it by operating not in terms of resource categories, but in accordance with specific mechanisms for allocation and repayment which distinguished between management and funding responsibilities. In all these countries from 1970 onwards, the local authorities handled the acquisition of goods and services in accordance with prevailing regulations and received in return government allocations for the different categories of resources. Local authorities topped up this funding by drawing on their own financial resources. This model, in which decisions about estimating needs were taken by a local authority able to claim central government reimbursement, later disappeared. As a replacement, one of two solutions emerged. Responsibility for financing was either decentralized to intermediate authorities (as occurred in the Nordic countries) or, alternatively, central government control was strengthened, as occurred in the Netherlands by establishing a fixed amount used to finance selected school building schemes. It will be recalled that this last reform was provisional, since decentralization in 1997 resulted in a situation comparable to the one in the Nordic countries as far as capital expenditure was concerned.

In the final analysis – and assuming that Belgium and Spain continued to display the same model of funding when their Communities became the top-level authorities for education – it may be concluded that over half of those countries which operated in accordance with one of the models in 1970 have not abandoned it. However, France (in the case of secondary education) and Iceland shifted from model 1 to 2 and 3, respectively. The other Nordic countries moved from model 2 to model 3. The Netherlands have retained model 2 but ended arrangements for reimbursement.

FIGURE 2.14: BREAKDOWN OF RESPONSIBILITY FOR THE PUBLIC FINANCING OF EDUCATION (DECISIONS ABOUT THE SCALE OF RESOURCES, IRRESPECTIVE OF SPECIFIC CATEGORIES AND SUPPLEMENTARY RESOURCES) AMONG PUBLIC-SECTOR AUTHORITIES IN 1970 AND 1998

	TOP-LEVEL AUTHORITY		**BREAKDOWN BETWEEN THE TOP AND INTERMEDIATE LEVELS**			**INTERMEDIATE LEVEL**
	MODEL 1		MODEL 2			MODEL 3
	CENTRAL/ FEDERAL GOVERNMENT	COMMUNITIES	CENTRAL GOVERNMENT (STAFF AND IN SOME CASES OPERATIONAL RESOURCES) AND AREA-BASED AUTHORITIES FROM GRANTS AND THEIR OWN FUNDS (OTHER EXPENDITURE)	*LÄNDER*/ COMMUNITIES (STAFF) AND AREA-BASED AUTHORITIES FROM THEIR OWN FUNDS AND SUBSIDIES (OTHER SERVICES)	CENTRAL/FEDERAL GOVERNMENT AND AREA-BASED AUTHORITIES REIMBURSED BY IT	AREA-BASED AUTHORITIES FROM THEIR OWN FUNDS AND A SUPPLEMENTARY ALLOCATION
1970	**B**, **E** (s), **F** (s), **IRL**, **L** (s), **A** (AHS), **P** (s), **IS**, **LI** (s)		**EL**, **E** (p), **F**(p), **I** **L** (p), **P** (p), **S** **LI** (p),	**D**	**DK**, **FIN**, **NL**, **NO**	**A** (p, HS, PS), **UK**
1998	**IRL**, **L** (s), **A** (AHS), **P** (2nd and 3rd stages), **LI** (s)	**B**, **E** (s)	**EL**, **F**, **I**, **L** (p), **NL**, **P** (1st stage), **LI** (p)	**D**, **E** (p)		**DK**, **A** (p, HS, PS), **FIN**, **S**, **UK**, **IS**, **NO**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional note

Austria: AHS = *Allgemeinbildende höhere Schulen*; HS = *Hauptschulen*; PS = *Polytechnische Schulen*.

Figure 2.15 summarizes measures for regulation or deregulation identified on the basis of the material available. It reveals that, while deregulation has sometimes gone hand in hand with the decentralization of responsibility for financing and/or management (as in Belgium, France, Italy in the case of school-related assistance, the Netherlands and Sweden), in certain cases it has occurred later when this responsibility was already decentralized (as in Denmark, Germany and Italy).

It should be noted that decentralization has sometimes taken place while maintaining national-level regulations. This has occurred in Spain, in which staff management and formal building requirements have remained the focus of national regulations, and in Iceland in the case of operational and capital resources.

It is also noteworthy that in several Nordic countries, decentralization of responsibility for funding to local authority level has been accompanied by collective bargaining agreements concerned with salaries and conditions of employment, between unions and associations of municipalities in Denmark, Finland and Norway. By contrast, in Sweden and Iceland, conditions vary from one municipality to the next.

Finally, the United Kingdom (England, Wales and Northern Ireland) introduced national regulations to govern the way funding was delegated by local authorities to schools for the purchase of goods and services.

As already noted above, the introduction of regulations in the United Kingdom occurred at a time when market principles were being applied to the system of education to improve its quality. In the other countries, deregulation – irrespective of whether or not it was accompanied by a transfer of responsibility – was an end in itself, which aimed to limit the power of the central authorities in providing for education and to ensure maximum flexibility for local authorities in carrying out their responsibilities.

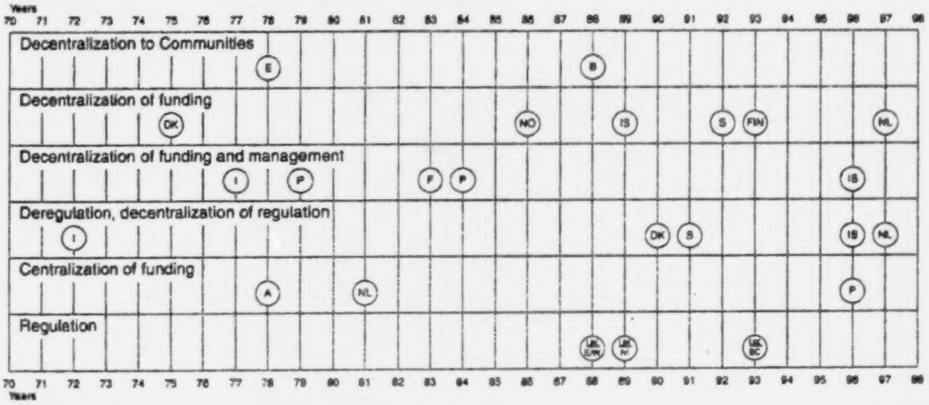
FIGURE 2.15: ASSOCIATION BETWEEN THE OCCURRENCE OF MEASURES TO REGULATE OR DEREGULATE AND THE DECENTRALIZATION OF FINANCING, BETWEEN 1970 AND 1998

		OCCURRENCE AT THE SAME TIME AS THE DECENTRALIZATION OF RESPONSIBILITY FOR FINANCING	OCCURRENCE WHEN RESPONSIBILITY FOR FINANCING WAS ALREADY DECENTRALIZED
STAFF	DEREGULATION, OR DECENTRALIZATION OF REGULATION	**B** (1989), **S** (1991), **IS** (1996)	**DK** (1990)
	NATIONAL REGULATIONS MAINTAINED	**E** (1985 and subsequently)	
	NATIONAL-LEVEL AGREEMENTS	**DK**, **FIN**, **NO**	
BUILDING WORKS	DEREGULATION, OR DECENTRALIZATION OF REGULATION	**B** (1989), **F** (1983), **NL** (1997), **P** (1979)	**D**, **I** (1972)
	NATIONAL REGULATIONS MAINTAINED	**E** (1985 and subsequently), **IS** (1996)	
METHOD OF FUNDING SCHOOLS	INTRODUCTION OF NATIONAL REGULATIONS		**UK** (1988, 1989, 1993)
OTHER	DECENTRALIZATION OF REGULATION	**I** (1972)	

Source: Eurydice.

Figure 2.16 shows the dates of these various reforms.

FIGURE 2.16: DATES OF THE MAIN REFORMS CONCERNING DECENTRALIZATION/CENTRALIZATION OF DECISION-MAKING ON THE FINANCING OF EDUCATION (SCALE OF RESOURCES) BETWEEN THE PUBLIC AUTHORITIES IN THE PERIOD FROM 1970 TO 1998



Source: Eurydice.

Additional notes

France: The 1983 measure related to the operational and capital resources of *collèges*.
Italy: The 1972 and 1977 measures were concerned with school-related assistance and the construction of school buildings, respectively.
Austria: The 1978 measure related to staff.
Portugal: The 1979 measure was concerned with school buildings, but solely in the case of schools offering the first stage of *ensino básico*. The 1984 measure related to school refectories and transport, while the 1986 one concerned refectories.
Iceland: The 1989 measure related to operational aspects and capital. The 1996 one concerned staff.

A.2.2. Analysis of potential factors in reform

In comparing reforms and their context, certain constant elements can be established which clarify decisions regarding the decentralization/centralization of funding. Four contextual levels may be distinguished as follows: a) school demography, b) economic circumstances, c) the political context, d) decentralization occurring in sectors other than education.

School demography

As long as criteria for allocating resources take account of the number of pupils, any increase or decrease in their numbers does not give rise to major conflict between the body which provides money and the body that spends it. By contrast, when these methods do not take account of the school population, any substantial decrease or increase in pupil numbers may be expected to lead to a conflict of interest between the two parties.

In Austria, the implementation of a per capita allocation has been an attempt to limit the expenditure for teachers in primary and some parts of secondary education, following a drop in the number of pupils with no corresponding fall in teaching staff numbers. Previously, expenditure by the *Länder* was reimbursed without any formal mechanism for resource allocation. The introduction of a calculation which fixes a weekly number of teacher/hours in accordance with the number of pupils has led to improved planning by the *Länder*. It has also provided them with useful arguments for ensuring that their needs are fully appreciated by the federal government.

A fall in the number of pupils without any accompanying decrease in expenditure also led to the regulation initiative introduced in the Netherlands in 1981 to rationalize expenditure on the building of schools.

The economic situation

Although systems in the Nordic countries appear to be growing increasingly similar, the stages in the process differ, as does the relation between the various measures and the economic context. In Finland, the municipalities clearly wanted to become autonomous prior to any perceived need to limit their expenditure. This demand for greater autonomy occurred in a period of economic growth quickly followed by a recession. Steps were therefore taken to limit unchecked expenditure by local authorities and alter the system for ironing out inequalities between them.

In Sweden, the situation was apparently different. The desire to increase municipal autonomy emerged subsequent to the economic problems. It was seen as the key to improving the effectiveness of schools. The first measures sought to limit central control. Deregulation thus preceded decentralization. By introducing a global allocation for balancing out differences in municipal resources, it later became possible to cushion an economic recession with which municipalities were finding it increasingly hard to cope.

Political context

Measures for the decentralization of funding were introduced under political circumstances in which governments were socialist or social democrat (Denmark, France) or, on the contrary, liberal (Sweden). Although not enough examples are available to confirm the existence of a definite general trend, it seems that measures for deregulation have been introduced by liberal governments (Denmark), and measures to strengthen power at the centre, through the regulation of funding (combined with a decentralization of control over day-to-day decisions on expenditure), by conservative governments (United Kingdom). It cannot be denied that a basic desire to improve their education system led some countries to deregulate and weaken central power (Denmark and Sweden), and others, at virtually the same time, to regulate and strengthen it (United Kingdom).

Decentralization in sectors other than education

As Figure 2.17 shows, most reforms aimed at decentralization have taken place at a time of general transfer of responsibilities from central government to local authorities. Similarly, the strengthening of central government power in the United Kingdom occurred when moves towards greater regulation were affecting sectors other than education.

[illegible]2228

FIGURE 2.17: CIRCUMSTANCES CHARACTERIZING THE TRANSFER OF RESPONSIBILITIES FOR THE PUBLIC FINANCING OF EDUCATION (DECISIONS ABOUT THE SCALE OF RESOURCES, IRRESPECTIVE OF SPECIFIC CATEGORIES AND SUPPLEMENTARY RESOURCES) BETWEEN PUBLIC-SECTOR AUTHORITIES, BETWEEN 1970 AND 1998

	NATURE OF TRANSFERS	CATEGORY OF RESOURCES CONCERNED	AIMS	DEMOGRAPHIC CONTEXT	ECONOMIC CONTEXT	POLITICAL CONTEXT	SIMILAR REFORMS OTHER SECTORS
				EUROPEAN UNION			
B	Decentralization of financing and management, deregulation (1988)	Staff, operational resources, capital	Grant the Communities full powers	No direct influence	No direct influence	Pressure for greater Community autonomy	Yes
DK	Decentralization of financing (1970-75)	Staff, operational resources, capital	Local autonomy, balancing out of resources and financial responsibility	No direct influence	1973 oil crisis	1970: the Right 1971: social democrat 1971-75: *idem* (consensus)	Yes
	Deregulation (1990)	Staff		Decrease in the number of pupils	Economic recession	Liberal minister	Yes
E	Decentralization of financing and management (1975-1998)	Staff, operational resources, capital	Grant the Communities full powers	No direct influence	No direct influence	Pressure for greater Community autonomy	Yes
F	Decentralization of financing and management, deregulation (1983)	Operational resources, capital	Bring decision-making power closer to the people	No direct influence	No direct influence	Change in the governing majority	Yes
I	Decentralization of funding, management and the regulatory framework (1972, 1977)	School-related assistance	Local autonomy	No direct influence	No direct influence	Application of the constitutional principle of administrative decentralization and enhancement of local autonomy	Yes
	Decentralization of the regulatory framework (1972, 1977)	Construction	Strengthening the power of the regions	No direct influence	No direct influence		Yes
NL	Strengthening of central control (1981)	Capital	Rationalization of school buildings	Decrease in the number of pupils			
	Decentralization of financing, deregulation (1997)	Capital	Rationalization of school buildings, local autonomy	No direct influence	Favourable context	Desire to reinforce the position of municipalities	Yes
A	Control centralized through per capita allocations (end of the 1970s)	Staff in primary education	Control expenditure on teaching staff	Decrease in the number of pupils	No direct influence		Yes
P	Decentralization of financing (1979)	Construction in the first stage of *ensino básico*	Local autonomy				
	Decentralization of financing (1984)	Canteens, transport	Local autonomy	No direct influence			Yes
	Centralization of financing (1996)	Canteens	Revitalize the canteen system	No direct influence			
FIN	Decentralization of financing (1993)	Staff, operational resources, capital	Local autonomy	No direct influence	Economic recession (1990s)	Pressure for greater local autonomy (end of the 1980s)	Yes
	Revision of the method of calculation (1996 and 1997)	Staff, operational resources, capital	Balancing out of resources, financial responsibility	No direct influence		More municipal incentives needed	Yes

Source: Eurydice.

FIGURE 2.17 (CONTINUED): CIRCUMSTANCES CHARACTERIZING THE TRANSFER OF RESPONSIBILITIES FOR THE PUBLIC FINANCING OF EDUCATION (DECISIONS ABOUT THE SCALE OF RESOURCES, IRRESPECTIVE OF SPECIFIC CATEGORIES AND SUPPLEMENTARY RESOURCES) BETWEEN PUBLIC-SECTOR AUTHORITIES, BETWEEN 1970 AND 1998

	NATURE OF TRANSFERS	CATEGORY OF RESOURCES CONCERNED	AIMS	DEMOGRAPHIC CONTEXT	ECONOMIC CONTEXT	POLITICAL CONTEXT	SIMILAR REFORMS OTHER SECTORS
			EUROPEAN UNION (CONTINUED)				
S	Deregulation Decentralization (1991)	Staff	Give greater responsibility to local authorities		Economic recession	Pressure for greater efficiency	Yes
	Global allocation (1993)	Staff, operational resources, capital	Balancing out of resources		Economic recession		
UK	Reduction in the room for manœuvre of local authorities (1988)	Staff, operational resources	Strengthening of power at the centre and at school level, at the expense of local authorities, more competitive schools			Conservative government	Yes
	Centralization of funding of GM schools via the FAS (1988)	Staff, operational resources, capital	Strengthening of power at the centre and at school level, at the expense of local authorities			Conservative government	
	Abolition of GM schools (1998)	Idem				Labour government	
			EFTA/EEA				
IS	Decentralization of financing and management (1989)	Operational resources, capital	Bringing decision-making closer to where needs made themselves felt, better use of existing facilities	Urbanization, migration of pupils		Pressure for greater local autonomy	Yes
	Decentralization of financing and management, and deregulation (1996)	Staff				Pressure for greater local autonomy	Yes
NO	Decentralization of financing (1986)	Staff, operational resources, capital	Local autonomy, balancing out of resources and financial responsibility			Start of a Labour government (May 1986)	

Source: Eurydice.

A.3. DISCUSSION

In so far as the decentralization of financing to the local authorities and deregulation are the most frequent measures, the discussion will focus primarily on their consequences.

(a) It would appear that operations involving the decentralization of financing to the municipalities have led to an **increase or levelling out in educational expenditure**.

In France, the central government grant to the *départements* initially corresponded to what the government itself spent on capital and for operational purposes. Nevertheless, the expenditure of many *départements* on *collèges* has grown faster than government subsidies, even at a time when a weakening of demographic pressure has reduced the need for new *collèges* to be built. The rise in expenditure may therefore be due to the fact that area-based authorities now attach more importance to education. It may also be attributable to a loss of efficiency associated with the shift away from a standardized national system (with its economies of scale) to one based on local decision-making. However, it cannot be assumed that efficiency has been compromised without considering how the quality of school buildings has changed. The dilapidation of buildings, many of which were built during an upsurge in the school population, may indeed be a partial explanation for the increase in expenditure.

In Denmark, the responsibility of municipalities for the financing of schools has not limited educational expenditure. A 1995 inter-ministerial working group report confirmed that, in the period from 1985 to 1994, expenditure fell much less rapidly than the number of pupils.

When the 1993 general state subsidy was introduced in Sweden, many municipalities feared that the education sector would suffer as a result of having to compete with other municipal services. A National Agency for Education report revealed that, on the contrary, municipal expenditure on education remained stable. The financial problems encountered by municipalities had an impact on other sectors. Education remained a priority.

In Iceland, decentralization was followed by an increase in expenditure on education. Finally, in Norway, expenditure on primary and secondary education rose considerably after 1986, the year of decentralization. Several studies have shown that schools providing compulsory education were less vulnerable to cuts in municipal spending than other services, such as those for the elderly and handicapped.

All signs are, therefore, that when the financing of education has been decentralized to the local authorities, it has led to an increase in costs (and to their levelling out in Sweden). Where there has been no basic increase in the budgetary resources of local authorities, it is quite possible that investment in education has been at the expense of other services (such as care of the elderly, health, highway building and maintenance, etc.).

If this hypothesis turns out to be true, is it to be seen as the result of a desire reflected in national policies to ensure that education retains priority importance with the aim, for example, of reducing unemployment? This preference appears surprising in view of the ageing population and the fall in the number of pupils. Or is it the result of social pressure brought to bear on local authorities by the parents of pupils and teachers, which is arguably stronger than that exerted by other groups (such as the elderly) calling for other services? If so, the implication is that local authorities offer less resistance than governments to the formal demands of different parties with a stake in education.

Furthermore, negotiations about working conditions and pay between the association of local authorities and the teachers' union play an important part in the way costs change in several countries.

The 1992/93 regulation in Denmark transferred the responsibilities of the government, as an employer, to the municipalities, which meant that the former was no longer involved in collective bargaining concerned with the work of teachers. The regulation led to an increase in expenditure in public-sector schools, notwithstanding the decrease in the school population. Because of the rise in pupil numbers expected in 1995/96, the 1995 report which recommended an increase in the pupil/teacher ratio met with much criticism on the part of teacher unions.

In Sweden, national regulations relating to working conditions were abolished when responsibilities were transferred from the government to the municipalities. As to working conditions, the increasingly difficult financial situation of the municipalities led them to increase steadily the pupil/teacher ratio, by avoiding the replacement of staff who retired or left teaching for any other reason. From 1996 onwards, as expenditure on staff levelled out in this way, an increase in school enrolments encouraged a growth in the size of classes. While this trend does not appear to have caused real problems in class, the first signs of a loss in quality have become apparent, especially in teaching children experiencing some degree of difficulty (in reading or writing, for example). A development agreement intended to improve quality has recently been concluded between the Swedish association of local authorities and the teachers' unions.

In Iceland, a new agreement negotiated between the municipalities and the teachers' union at the end of 1997 considerably raised teacher salaries which, it must be acknowledged, were relatively low. However, this change came about because teaching fitted into half a day with significant scope for overtime by many teachers was gradually replaced with day-long provision requiring their full-time commitment.

(b) As regards the generally basic **egalitarian principles** in countries affected by measures to decentralize, it appears that differences in levels of expenditure between various municipalities are becoming increasingly apparent. Thus, in France, decentralization has led to widely varied financial commitments from one *département* to the next. In the Nordic countries, several assessments express points of view that differ and are not readily comparable.

In Sweden, the decentralization of decision-making on school funding has been evaluated by the National Agency for Education. A 1996 report on differences in cost per pupil between municipalities revealed that certain factors influenced the variations, the most important of which was population density. The proportion of children one of whose parents was born abroad and the number of pupils per school (small schools are more costly) were also determining factors. Each year, the National Agency for Education publishes around 200 statistical indicators for the municipalities so that they, and the private grant-aided schools, can compare their own expenditure with that of others and adjust it accordingly. Another report reveals that budgets are allocated to schools in accordance with structural factors (including demographic, geographical and socio-economic conditions). No municipality applies a per capita system in the strict sense. This finding reveals that municipalities tend to conform to a political will to manage affairs in accordance with school requirements.

Block grant arrangements in Norway appear to have given rise to some distinction between municipalities. For example, there are increasing differences in the resources earmarked for children in difficulty. This development runs counter to one of the principles of the Norwegian system, which is that children with the same needs should benefit from the same services in all municipalities. The method of calculating the block grant has also led to significant variations between municipalities in terms of income, which may explain the differences in the amounts they agree to spend on education (see Chapter 3).

As regards the reforms undertaken in Iceland and Finland, they are perhaps too recent for any appraisal relating to expenditure on the part of the municipalities. The evaluation therefore deals with equality from the standpoint of revenue. In Iceland, the dominant aims are equal access and educational opportunities for all. When decentralization occurred, unions and teachers alike feared that it would put small schools at a disadvantage, leading to a deterioration in the quality of education and calling the egalitarian principle into question. Yet the current system of financing municipalities seems appropriate, with the fund for regionally balanced distribution playing a key role in this respect. In Finland, equality between the municipalities was at the heart of the reforms. The 1989 system of classifying municipalities as a basis for determining their subsidies, was changed in 1996 and 1997 because it was unable to achieve this degree of equality.

Finally, it should be noted that most moves to decentralize central government funding to the municipalities have been accompanied by other measures intended to decentralize management by the municipalities to the schools. These latter measures are examined in more detail in Chapter 2, point III.B.

B. DECENTRALIZATION OF THE MANAGEMENT OF RESOURCES TO SCHOOLS

Decentralization from central government or local authorities to schools is concerned mainly with responsibilities for managing a predetermined budget with which the latter undertake the acquisition of goods and services. When decentralization occurs, schools may in some cases also be authorized to seek their own sources of funding (see Chapter 5).

Most of the countries are affected by measures for decentralizing to schools responsibilities related to the acquisition of goods and services. However, these measures differ in terms of the category of resources concerned (staff, operational or capital resources). A distinction also has to be drawn between decentralization which applies to all schools and the extent to which local authorities may be able to delegate their powers to them in certain instances.

On this basis, two major kinds of transfer may be identified:

- The permanent delegation of responsibilities to schools.

  This kind of decentralization may occur as a transfer of responsibility for acquiring goods and services, or as the conversion into a comprehensively global form, such as a block grant, of an allocation that was previously broken down into several compartmentalized budgets. It may relate solely to operational goods and services or, by contrast, several categories of resources.

- Delegation of responsibilities to schools at the discretion of local authorities.

> This process occurs as a transfer of responsibility for the acquisition of goods and services, whose extent, in terms of the categories of resources concerned, is determined by the local authority.

The present section (Chapter 2, point III.B) is constructed like the preceding one. An examination of the various reforms involving decentralization of responsibility for the acquisition of goods and services and the specific circumstances under which these measures have been introduced, will be followed by an analysis of whether these reforms have gone hand in hand with measures for the abolition of national regulations. We shall then undertake a systematic comparison of the factors underlying reforms, before concluding with some observations by way of assessment.

B.1. REFORMS INVOLVING DECENTRALIZATION

These reforms are analysed separately in accordance with whether they relate to operational resources, staff or both these categories of resources simultaneously. No measure has entirely decentralized the management of fixed capital resources to schools.

Reforms concerned solely with the management of operational resources have occurred in Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria (in the case of the *allgemeinbildende höhere Schulen*) and Portugal. Those related exclusively to the management of staff resources have taken place in Belgium, Germany, France and the Netherlands. Those concerned with the management of a block allocation for staffing and operational purposes have characterized the Netherlands and the United Kingdom. Finally, reforms aimed at enabling municipalities to delegate their responsibilities to schools have been observed in all the Nordic countries and in the Netherlands as far as capital expenditure is concerned.

For purposes of comparison, the various measures introduced in each country are analysed with respect to their characteristics and broken down, therefore, under different headings. In the case of the Netherlands, this way of presenting the information may seem somewhat fragmented. For this reason, readers are systematically reminded at each stage about past and future reforms.

B.1.1. Management of operational resources

Reforms

The process of decentralizing responsibility for the acquisition of operational goods and services to schools has been apparent in Belgium, Spain, France in secondary education, Italy and the Netherlands. In Luxembourg (secondary education) and Austria (the *allgemeinbildende höhere Schulen*), measures to decentralize management of the budget for some operational resources to schools have been introduced. In Germany, it is the basis for experimentation in different *Länder*. In Ireland, as well as Belgium and the Netherlands, measures have led to the conversion into global form of an allocation previously broken down into several budgetary headings.

➢ Decentralization to schools of responsibility for the acquisition of operational goods and services

In Belgium, the law of 1984 granted greater autonomy to those schools (then) administered by the central government (¹) in the use of credits for operational purposes, equipment or facilities. Prior to the law, the management of expenditure for operational purposes or equipment for the schools concerned was undertaken by the national Ministry of Education, and had to conform to the regulations governing public-sector auditing. As a result of the 1984 law, which changed the status of schools, it became possible for them to transfer credit between different categories of expenditure, and to capitalize it (by carrying unused credit over from one year to the next). Consequently, schools administered by central government enjoyed greater autonomy in the acquisition of operational goods and services than schools administered by the provinces and municipalities to which the management regulations peculiar to these area authorities still apply. In 1989, responsibility for education was devolved to the Communities (see Chapter 2, point III.A). A Flemish Community decree transferred the operational and financial management of schools administered by the Community from the ARGO to

---

(¹) From 1989, following decentralization of powers to the Communities, these institutions became 'Community' schools.

BEST COPY AVAILABLE

the *lokale schoolraden* (LORGO), decision-making bodies which covered several schools and included representatives of the different interests concerned (1).

In Spain, decentralization of responsibility for the acquisition of operational goods and services was the culmination of a long process. The 1980 law already provided for the management autonomy of school heads as one aspect of the general autonomy of schools in allocating resources. However, this proposal did not come into force. It was not until the 1985 law that the tasks of the *Consejo escolar del centro* (school council) were more precisely defined. This law stated that all schools should become responsible for the allocation and control of certain kinds of operational expenditure. It also set down procedures for the participation of interested parties, in particular within the school councils. Finally, the 1995 law provided for increased participation and involvement of these stakeholders in school management, but also the strengthening of the school management team led by the head.

In France, responsibility for the acquisition of operational goods and services for secondary schools occurred in 1983, at the same time as the central government decentralized responsibilities for financing operational goods and services, as well as capital, to the *départements* (see Chapter 2, point III.A).

The 1974 law in Italy granted all schools autonomy in managing expenditure for operations related to administrative or educational activity. As regards financial management, schools prepared a budgetary estimate. More recently, a 1993 law provided for school autonomy in educational matters, as well as in organizational and financial respects. However, the decrees required to implement the law were not approved, so it was not until 1997 that this autonomy finally took effect. A further law of that year gave schools the status of legal entities. They became autonomous as regards educational matters and from an organizational point of view (for further details, see the table in the Annexe summarizing these reforms). From the financial standpoint, a block grant geared to the flexible use of funds would be granted to schools, for them to spend entirely as they wished, with the following stipulation. The grant had to be used first and foremost for the purposes of educational, training and guidance activities relevant to each area of study and each school. In the same year, another decree gave them a chance to experiment with certain aspects of the autonomy granted to them, so as to promote a 'culture of autonomy', pending enactment of the 1997 reform, whose full implementation is planned for the 2000/2001 school year.

Until 1985 in the Netherlands, primary school operational resources were supplied by the municipalities from a government allocation fixed with reference to the number of pupils and classes. Following a 1985 law, this allocation was received not by the municipality, but by the *bevoegd gezag* which was able to save it or spend more than it by drawing on its own funds. This measure initiated a long series of reforms, which were to lead steadily to the conversion into global form of the allocations awarded to schools. The freedom of the *bevoegd gezag* to manage operational resources has been circumscribed by general national requirements relating to the classroom/school environment as regards heating, lighting, furnishings, etc. Furthermore, the level of public funding for primary schools for operational purposes was capped after the reform of the system in 1997, since they could no longer claim back payments for expenditure already incurred, as they could under the 1985 law.

In two countries, financial autonomy was granted only in relation to some operational resources. A 1990 reform in Luxembourg enabled secondary schools to submit ad hoc requests to the Ministry for schemes for which additional operational resources could be obtained. They have been awarded in cash, and schools have had autonomy in managing their budget, although they must naturally comply with national regulations, such as those of 1979 on health and safety applicable to public institutions. In Austria, decentralization of responsibility for the acquisition of operational goods and services started in the 1990s in the *allgemeinbildende höhere Schulen*. Since the mid-1990s, these schools have been allocated their own budgets and used budgetary headings distinct from those of other kinds of school. They have also secured decision-making powers as regards heating, cleaning and building maintenance (although they cannot employ staff directly for this purpose). In addition, the *allgemeinbildende höhere Schulen* have a limited degree of autonomy as regards scope for financial transfers across different areas of expenditure. Savings made under one budget heading within the category of 'operational expenditure' may be transferred to another heading in that category, and similar transfers can be made under expenditure on capital investment, but transfers across the two categories ('operations' and 'capital') are not possible. In 1995, an experiment conducted in several *allgemeinbildende höhere Schulen* resulted in greater autonomy for them. Following this, a law of 1998 granted them financial autonomy so that they could increase expenditure on equipment. They became authorized to freely accumulate supplementary income (which they might obtain, for example, by leasing school premises), as long as all such resources were reinvested in the school. To carry out financial transactions, they had to set up a company with limited legal status. Yet very few schools have opted to do so.

---

(1) However, from 2000 onwards, these LORGO are being replaced by new *schoolraden* at the level of geographically concentrated school groups. It is intended that the *schoolraden* should act in a mainly advisory capacity. At the same time, *scholengroepen* are being established. They will be the result of voluntary cooperation agreements between several Community-sector schools and have the status and role of school administrative bodies (*inrichtende macht*).

Since the beginning of the 1990s in Germany, a growing number of municipalities have introduced reforms to their budgeting on the basis of *Länder* school legislation with a view to granting schools greater financial autonomy and increasing their budgetary responsibilities. Eventually, these schemes are expected to lead to a fresh definition of the responsibilities of the various partners (*Länder* and municipalities) involved in schools. The introduction of school budgets for a part of their operational expenditure under these schemes and, in particular, the fact that schools can open bank accounts, enables them to control all payments linked to the use of some of their resources. The schemes have been governed by special experimental conditions under which the traditional system has been relaxed, and several municipalities have taken advantage of them so that schools are involved in managing their own funds. For example, they may themselves select providers of goods and services whose terms appear most favourable.

➢ Conversion into global form of allocations previously awarded under compartmentalized budgetary headings

In Ireland, a regulation of 1975 converted the specific allocations earmarked for primary school expenditure on heating, electricity and painting into block grants. In addition, allocations were extended to other categories of resources not previously subsidized, such as cleaning, general maintenance and teaching materials. A similar measure was introduced in 1984 for the subsidy relating to operational expenditure in *voluntary secondary schools* (accounting for almost two-thirds of all pupil enrolment in secondary education).

The 1986 law in Belgium changed the procedures for awarding school resources needed for equipment and operational services by converting the allocation into a block subsidy. This measure had a particular impact on the autonomy of schools administered by the Communities. In grant-aided schools, the allocation was awarded to their administrative bodies, whether one of the provinces or municipalities (in the public sector), or a private law entity.

Before 1993 in the Netherlands, secondary schools received their resources from central government under separate predetermined budgetary headings. After that, they got a block subsidy for operational expenditure, the *Bekostigingsstelsel Materieel* (BSM) that they could use as they wished.

In Portugal, conversion of resources into global form concerned expenditure for operational purposes and movable property in schools providing the second and third stages of *ensino básico*. Before the 1989 law, these schools got their resources from budgets compartmentalized into various budgetary headings. Since then, their allocations have been divided into just two such headings. Furthermore, transfers are possible between them within certain limits, giving schools far greater room for manoeuvre. They now have the right to use unspent allocations under the 'recurrent expenditure' heading and savings from the staff heading (in the case of non-teaching staff who are not replaced) for expenditure on movable goods.

Specific aims and contexts

A close look at the aims and circumstances surrounding the introduction of the different measures reflects situations that vary widely. In some countries, the aim was primarily economic: expenditure had to be restricted and resources targeted more effectively. Elsewhere, change was motivated by a combination of concerns related to educational and social considerations: schools had to be more responsive to their environment and encourage the involvement of their stakeholders in decision-making. In yet other cases, the aim was to introduce a new management culture or increase the share of public funding of schools.

➤ Limiting expenditure and the best use of available resources

This was especially true of Belgium, the Netherlands and Portugal in the 1980s and Germany in the 1990s.

In Belgium, the aim of the 1984 and 1986 measures was to use resources more effectively and control the growth of educational expenditure. Its purpose was also to increase the autonomy of schools, which became able to manage their operational subsidies freely.

In the Netherlands, municipalities had for many years complained that they were unable to cover primary school operational costs from their government allocation. As far back as 1974, a committee proposed an alternative method of funding. In the 1980s, the Minister sought to lessen operational expenditure. The system introduced in 1985 seemed to be a solution to this twofold problem of relieving the municipalities of their difficulties while cutting costs. By contrast, the aim of the 1993 law was to increase the autonomy of secondary schools so that block grant funding for staff and operational resources (analysed below in Chapter 2, point III.B.1.3) could be implemented.

The aim of the 1989 reform in Portugal was to give greater decision-making autonomy to schools so that available resources could be better targeted and used more effectively, but also to ensure greater fairness in the distribution of resources as a result of introducing a per capita calculation formula.

In Germany, schools were considered the driving force of development both in school quality assurance and from the financial standpoint. Indeed, the view expressed by some was that schools would be best placed to manage increasingly limited resources as effectively as possible.

➤ Development of social involvement

The reforms in Spain, France and Italy (in the 1970s) come under this heading.

In Italy, the establishment of decision-making bodies with mixed representation in 1974 was intended as a response to various initiatives by all those with a direct interest in education, who rallied actively, in particular to secure greater involvement in decision-making.

The way the system developed in Spain may be seen in terms of the conflict between egalitarian yearnings and the need for individual liberties both present when the Constitution was written in 1978. Certain proposals elaborated in 1980 were not implemented because they appeared to contradict constitutional principles: for example, the autonomy of school heads seemed unduly to limit the involvement of others with a stake in education (such as parents and teachers). By contrast, the option in 1985 was that of equality, regulation and social participation. The 1995 law (LOPEG) adopted a more pragmatic perspective which, amongst other things, made it possible to really implement methods for managing and allocating resources in practice. The climate of previous years characterized by conflict gave way to debate on the points of view espoused by the various parties.

In France, decentralizing responsibility for the management of operational resources for the *collèges* in 1983 was part of a policy to make schools more responsive to their surrounding milieu. Schools thus had to be able to adapt their expenditure to local contexts.

More recently, in the Flemish Community of Belgium, the transfer of the operational and financial responsibilities of the ARGO to the LORGO has sought to improve the involvement in school management of the different interests concerned.

➤ Changes in management culture

In Italy, the movement initiated by the 1993 reform pursued aims that were very different from those of the 1974 reform. Awarding autonomy to schools was part of a general drive to decentralize and modernize public-sector administration, which had a duty to operate less bureaucratically so that it was more responsive to the needs and expectations of citizens. In education, this new public service ethos implied, first, granting greater decision-making powers to schools and, secondly, acknowledging the significance for them of provision geared to results, the requirements of users and the definition of standards for the purpose of checking and assessment. Its aim was to ensure that citizens came first in the provision of administrative services and, as administration was gradually decentralized, free them from their role as its passive recipients. While, at first, the 1993 law led nowhere because of governmental instability, it came into force from 1997 onwards with the introduction of autonomy in educational and financial matters. It sought to diversify study options for pupils in order to achieve national objectives. Schools were able to broaden the range of courses on offer, and were granted additional responsibilities in having to get results.

Likewise in Austria, the situation was one of considerable change in the social and political climate. To some extent, the paternalistic tradition gave way to a strengthening of civil society. The concept of autonomy was reflected in a range of enterprises conducted in differing circumstances and with a variety of aims, such as the promotion of grass roots educational initiatives, attempts to reduce the influence of political parties over the education system, simplification of the administrative superstructure, a shift towards free market principles and the movement for regionalization.

In both countries, the latest reforms have given schools an opportunity to secure greater autonomy. These laws are very recent and, in the case of Austria, few schools have so far set up the companies of limited legal status meant to enable them to increase their financial autonomy.

> Increase in the share of public funding

The proposed measures in Ireland were intended to provide greater help to schools in meeting their daily operational expenditure. As already pointed out, primary schools and *voluntary secondary schools*, which enrol the majority of pupils, are all grant-aided private schools. They have always been responsible for the acquisition of goods and services, and have received a government subsidy for this purpose. The measures introduced at both levels of schooling have sought to increase this subsidy.

Comparison with other similar systems

Most countries associated with this kind of reform have set up a similar model for financing operational expenditure. Schools are responsible for the acquisition of goods and services and, for this purpose, receive one (or two) allocations. This model was not very widespread in education before the measures for decentralization, which transferred these responsibilities from the public authorities to the schools. Only Greece, which has reported no reforms in this area, appears to have used this model for a long time. Throughout the period considered, secondary schools in Liechtenstein also possessed a certain degree of autonomy in the acquisition of goods and services but, as indicated in Chapter 2, point II.C, this took the form of a credit line, rather than the award of a grant.

B.1.2. Management of staff resources

School autonomy as regards staff may be defined at different levels. It may relate to the right to earmark global resources for different kinds of staff. It may mean that schools can determine the level of human resources needed to fulfil their responsibilities, and then use part of their allocation for other purposes. It may also refer to the scope schools have for recruiting their own teachers. Measures reflecting these possibilities have been evident in Belgium, Germany, France and the Netherlands.

Reforms

In Germany, recent criticism of what is regarded as overcentralized teaching staff recruitment (at *Länder* level) has led to attempts to take account of individual school needs. Although schools have to comply with basic legislative requirements, they have to some extent been allowed to develop their own job descriptions and select staff through interviews. Yet this development aside, strict legal requirements for all *Länder* currently keep a tight rein on the autonomy of schools in managing staff resources, particularly where matters such as staff working hours and remuneration are concerned, although this situation is questioned to an increasing extent.

In Belgium, the decree of 1986 reformed the way in which staff resources were awarded to schools. Prior to the decree, the allocation of teaching posts was based on a system of formal requirements, or norms, corresponding to a certain number of hours of teaching which were specified for each branch of studies, course option and school. These norms were then used in conjunction with the total enrolment at a school and the distribution of pupils across its different courses to allocate a given number of hours to it as the basis for recruitment of its staff. From 1986 onwards, this hour-based allocation was no longer based on norms, but on a fixed number of hours of teaching per pupil, in accordance with which schools built up the courses they offered and organized their classes. Implementation of this system only began in earnest from 1992 onwards.

In 1985 in France, two years after the law on the decentralization of responsibilities in the area of operational activity, secondary schools were each awarded an overall workload (in hours) for their teaching staff. Previously, the breakdown in staff resources among public-sector schools was highly centralized. Each year, the Ministry divided up fresh resources on the basis of official requirements and demographic data submitted by the *rectorats*. The new allocation, which expressed the number of posts and overtime in global form, enabled schools, among other things, to fix workloads, select course options and decide on the size of groups of pupils. However, teachers were still recruited and paid by central government.

Until 1992 in the Netherlands, the *bevoegd gezag* (municipality, municipal association or competent authority for private education) paid the teachers it recruited and was then entirely reimbursed by the government. From 1992 onwards, the *bevoegd gezag* received a budget for all staff in the form of units determined on the basis of official requirements and legal criteria (in particular, the number of pupils), which corresponded to an equivalent number of full-time posts (*Formatiebudgetsysteem*, or FBS). The *bevoegd gezag* itself decided on staffing levels for each category of personnel. This new system also provided for the decentralization of responsibilities such as the cost of staff replacements due to illness, which was included in the budget (see Chapter 2, point II.C.2.2 for further details). The *bevoegd gezag* had to decide what proportion of its budget it would earmark for replacements.

Specific aims and contexts

Aims have been similar in Belgium and the Netherlands, but different in France.

➤ Development of autonomy in educational matters

In France, the aim of the overall allocation in hours was to develop the autonomy of lower secondary schools by expressing resources in global terms. This led to a clear distinction between the patterns of course provision in different schools, which was a reflection of the wide range of different social and economic contexts in which they operated.

➤ Control of costs

In Belgium, the aim of the 1984 arrangements that materialized in 1992 was to control expenditure by simplifying the calculation of teaching staff numbers and broadening school autonomy. Calculating the strength of staffing at each school had become especially complex with the wholesale reform of the education system (the *enseignement rénové/vernieuwd secundair onderwijs*). Introduced in 1971, this system enabled each school to determine its own course provision, by means of a system of course options. The introduction of a great many different options rapidly led to soaring costs. In the first instance, several measures were introduced to limit this excessive expenditure. As the new *capital-période* system for the calculation of staff numbers was not rapidly implemented, the formal requirements on which the number of hours of teaching were based, became especially severe in 1985/86. Equality in the distribution of resources among schools was also an aim of the reform.

The aims of the 1992 law in the Netherlands were school autonomy, simplification of the system and an end to regular annual overspending on the education budget. Up to then, the government had attempted to control expenditure on staff through complex but unsatisfactory regulations. With the FBS, the autonomy of schools was substantially broadened in so far as they were able to transfer staff costs from one category to the other (between teaching and administrative staff). However, this aim conflicted with the desire to make it easy for central government to forecast overall costs. This was because decisions by a school regarding the numerical strength of each category of staff are liable to alter its overall wages bill, given differences in salary scales between the various categories.

As in Belgium, the process of discussion prior to implementation of the system was lengthy. The FBS was the result of intense parliamentary debate. However, the two countries were different in one respect. In the Netherlands, the FBS was a move towards arrangements for block grant funding to cover all school needs – a system whose implementation in Belgium is not currently under consideration.

Comparison with other similar systems

The *capital-période* system in Belgium and the FBS in the Netherlands are close to the method of financing staff resources employed in Ireland in primary and lower secondary schools (with the exception of the *vocational schools* and *community colleges*). The aim is to convert an allocation based on the number of pupils into a given number of teachers who are recruited by the school (or its administrative body in Belgium), and whose salaries are paid (or reimbursed) by central government. However, differences become apparent when the relevant criteria for calculating the allocation are taken into consideration. These differences are examined in greater detail in Chapter 3.

B.1.3. Management of a block grant for staff and operational resources

Reforms

Before 1988 in the United Kingdom, schools in England had some leeway in the acquisition of operational goods and services (very minor items, such as the purchase of books, stationery and materials). In most LEAs, they could place their orders with suppliers who were then paid by the LEA concerned. Some schools had more autonomy still, as they received a cash allocation which also covered expenditure on utilities, such as water and electricity, and in certain cases teaching staff.

The 1988 legislation established LMS in England and Wales. It required LEAs to delegate financial resources for staffing and operational goods and services to secondary schools and the biggest primary schools. Schools, and no longer the LEAs, were to determine how this amount was spent. The law thus increased school autonomy. The management of expenditure on major fixed capital assets, however, remained the responsibility of the LEA (1). All resources awarded to each school were considered an overall package that it was free to administer as it saw fit. However, schools were, of course, obliged to comply with national regulations relating, for example, to the pay and conditions of teachers, and regulations regarding school premises (heating, lighting etc.) and, more recently, maximum class size regulations. As indicated in Chapter 2, point III.A, LMS was gradually extended to all schools in England, irrespective of their size, along with those in Wales and Northern Ireland.

In Scotland, the 1993 law introduced the quite similar *Devolved School Management* (DSM) system, under which the local authorities delegated to schools the financial resources for staff and operational goods and services. Previously, schools had been able to acquire a certain number of such goods and services (books, materials and equipment), and had a cash allocation available for this purpose. The introduction of DSM gave schools the flexibility to transfer funds between budget headings while respecting certain restrictions and conditions. As regards staff resources, DSM did not go as far as LMS in that recruitment remained the responsibility of the local authorities and was not delegated to school level. Moreover, since 1982, account has had to be taken, in staff allocation, of a national (i.e. Scottish) regulation on class sizes in both primary and secondary schools. Maximum class sizes in the early years of primary education are being further reduced from August 2001, in accordance with a national objective.

In the Netherlands, in 1996, the system of lump sum funding was introduced for secondary schools on the basis of criteria such as the number of pupils. The distinction between the staffing and operational budget was abolished. This measure followed the introduction of the new method for calculating staff (the 1992 FBS system which already represented a shift towards less specifically earmarked funding), and the conversion of the operational allocation into global form (the 1993 BSM). However, the 1996 staffing allocation differed from the FBS system in that schools now got their resources in cash and no longer as calculation units for teaching and non-teaching staff. Salaries were no longer reimbursed by central government but paid directly by schools, which thus assumed an increased financial risk. The room for manoeuvre of schools in the area of staff salaries was increased in 1996, when they were granted the freedom to negotiate contracts with staff regarding exceptional leave, job descriptions and bonuses.

---

(1) It should be noted that, in England from April 2000, part of the capital allocation is being decentralized to schools on a per capita basis.

BEST COPY AVAILABLE

Specific aims and contexts

➢ **The search for improved effectiveness via market principles**

In the United Kingdom, the ultimate aim of the reform was to respond to the issues of quality education and the rationalization of resources management. Regulation on the basis of market principles was seen as the solution. Underlying the decentralization of responsibilities for the acquisition of goods and services was, above all, the desire to improve decision-making and make better use of available financial resources which, in turn, would lead to an improvement in the quality of education. Furthermore, funding on a per capita basis, in an environment where admissions arrangements allowed parents a qualified freedom to choose a school for their child, encouraged schools to compete with each other to attract pupils and consequently additional funding. However, it should be remembered that one of the aims of the law was to strengthen central government control and, by the same token, reduce the power of local authorities. Decentralization of responsibility for the acquisition of goods and services to schools was entirely consistent with this logic (see Chapter 2, point III.A). Furthermore, the aim of establishing *grant-maintained schools* (abolished in 1998) has been to enable parents to become more actively involved in school management.

In Scotland, the 1993 law did not lead to the same degree of decentralization as in other parts of the United Kingdom. Local authorities emphasized that the law provided for a process of delegated responsibilities (implying they retained their administrative oversight of schools), and not decentralization. In reality, they have maintained their control over expenditure on staff, absorbing school deficits where necessary and recovering any surpluses. Unlike schools in England, Wales and Northern Ireland, Scottish schools assumed no financial risk in staffing (¹).

The very recent measure adopted in the Netherlands seems to bring its system closer to that in the United Kingdom. The government formed in the Netherlands in 1994 initiated an approach close to market principles in public policy, which aimed at improved use of resources and greater individual responsibility. In this context, the logic of reforms was to achieve further deregulation and an increase in school autonomy, to encourage schools to develop their own staff management policies, and to promote comparability with other sectors. The system of global allocations introduced in 1996 was meant to increase the autonomy of schools and their capacity to respond to changes in their circumstances. Competition between schools was not as clearly stated an aim as in the United Kingdom. Parents have always been free to choose their children's school on denominational or ideological grounds (see Chapter 1). Furthermore, there would appear to have been no question within this reform of publishing school results, as in the case of the 1988 reform in England. Yet the publication of information about schools was the subject of other measures. This matter is analysed in greater detail in Chapter 6.

B.1.4. The ability to delegate all or some responsibilities to schools

The local authorities of the Nordic countries have been given a chance to delegate all or some of their responsibilities for the acquisition of goods and services. In the Netherlands, the municipalities may delegate their decision-making power in the management of capital resources, bearing in mind that other resources are already managed by the schools. The legislative amendments in these countries all occurred in the space of a few years.

Reforms

In Denmark, the 1989 reform tended to increase the autonomy of schools by introducing *Skolebestyrelse* (school boards) and correspondingly reduce that of the municipalities. However, in the event, school boards were granted limited and purely formal responsibilities. The municipal council had to decide whether additional tasks could be delegated to the school board. In Sweden, from 1991, municipalities became able to delegate to schools all decisions concerning the allocation of their resources. Previously, they were able to delegate some of their decisions. The main difference

---

(¹) In England, Wales and Northern Ireland, originally under LMS only small schools were protected against higher-than-average salary costs.

IN210

consists in the deregulation relating to staff. In Norway, the 1992 law granted local authorities the freedom to delegate decision-making on the organization and functioning of schools. The 1993 reform in Finland enabled municipalities to determine the degree of school autonomy. Their decision-making power could thus vary from one municipality to the next. In Iceland, a recent reform (1996) has enabled local authorities to delegate their responsibilities to schools. In 1997 in the Netherlands, municipalities were granted the possibility of delegating decision-making responsibilities to schools in the management of capital resources by awarding them an allocation for this purpose. This occurred at the same time as decisions concerning the amounts of financial resources were decentralized from the government to the municipalities (see Chapter 2, point III.A.1.2). It is not expected that all municipalities will necessarily delegate responsibility in this way.

Over and above the fact that Nordic municipalities could, if they wished, decentralize the acquisition of all or some resources to schools, it is worth noting a few differences as regards education committees or other bodies which existed for the purpose of carrying out the decision of the municipal council. It is no doubt in Denmark that decentralization has been strongest from the structural standpoint. The establishment of *Skolebestyrelse* has been compulsory, and the law did not provide for the setting up of any management body between these school boards and the municipal council. The aim, which has not been fully achieved, has been to limit its role to that of simply defining a working frame of reference for schools. In Sweden, municipal councils have had to set up a committee as an intermediate body between them and schools, with the special task of allocating individual school budgets. School heads have been responsible for the management of staffing. In Finland, it has been up to the municipalities to decide whether or not to set up school boards, and retain their own education committees. In Norway, municipalities are no longer obliged to have their own education committee or chief education officer. On the other hand, they have had to retain an intermediate administrative body between schools and the municipal council.

Specific aims and contexts

➢ Increasing user influence

In Denmark, the aim of the 1989 reform was to increase the influence of school users, whose importance had long been emphasized in debate on the public sector. To this end, parents were in a majority on the school boards. Yet teacher trade unions and municipal councils strongly resisted the idea of an increase in school responsibilities. Indeed, when legislative amendments to give parents greater freedom to choose their children's school coincided with greater responsibility of this kind, the result was a competitive system governed by market principles, to which both local authorities and teachers were opposed. Furthermore, parents, who were set to benefit from the reform, were not highly organized and thus unable to counterbalance the power of the municipalities in the traditional decision-making system. As far as responsibility for acquiring goods and services is concerned, the most common situation has been the delegation to schools of the management of certain kinds of operational expenditure. However, some municipalities have delegated their competence for all categories of resources.

In Finland and Sweden, decentralization of the acquisition of goods and services to schools occurred at the same time as other moves to decentralize central government responsibility to local authorities. In Sweden, as in the case of Denmark, these reforms sought to increase the influence of citizens on municipal activity. It is difficult to assess their impact, since the implementation of the reforms has not been the subject of systematic study. However, it would seem that, in Finland, some municipalities have abolished the post of chief education officer, whose responsibilities are now assumed by school heads, suggesting that responsibility for the acquisition of goods and services has become more decentralized. In Sweden, a survey of how far responsibility had been decentralized in some ten municipalities pointed to considerable diversity, ranging from retention of their full competence to wholesale delegation to schools.

The 1996 initiative in Iceland, which required schools to publish information on their educational plan and the way in which they would act to comply with the aims of the national curriculum, seems to suggest that the influence of users is also at the heart of reforms involving decentralization. Although, in 1998, municipal responsibilities had been delegated to schools in only a limited number of cases, the reform is very recent and more time is doubtless needed to measure its true impact.

98241

➢ Increasing municipal autonomy

In Norway, the aim of the 1992 law was to further strengthen the decision-making power of the municipalities. In a few municipalities in 1998, schemes were launched to establish school boards in a way that involved decentralization of responsibility for acquiring goods and services in the case of all operational expenditure. These boards included school heads, and representatives of staff and parents, as well as local policy interests. It should be noted that the changes observed in Norway in the last 30 years have also increased the influence of users, as a result of the law on primary and secondary schools which entitles pupils to receive education adapted to their needs. This is a statutory right and municipalities have a duty to implement measures to ensure that it will be respected.

➢ Comparison with other similar systems

As mentioned above, the effect of legislative reforms in the Nordic countries was to make the method by which some of their schools were financed more like the system in the United Kingdom. The closest, in this respect, is probably the Danish system. However, Danish local authorities have retained considerably more de facto responsibility than their counterparts in the United Kingdom.

This is partly attributable to the fact that, notwithstanding obvious common features in the legislation of both countries, there are differences as regards the level of regulation restricting the room for manoeuvre of local authorities. Whereas the decision-making powers of municipalities in Denmark were strengthened at several levels, in England, it was the power of central government that was reinforced (see Chapter 2, point III.A). Regulation of the procedure by which schools were to be financed by the LEAs was precisely defined in the 1988 law, and made it compulsory for them to decentralize the acquisition of staff and operational goods and services to schools. The situation in Denmark is therefore closer to that of Scotland than that of England.

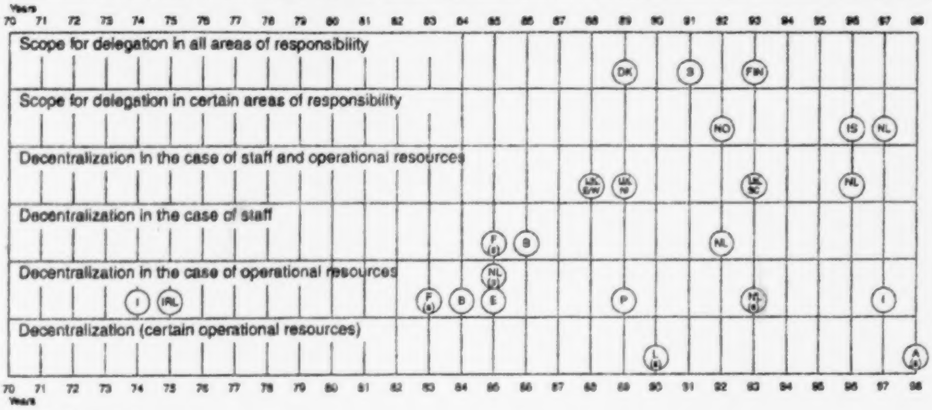
Because of variations in the implementation of legislation in the remaining Nordic countries, comparison with other systems is ill-advised.

B.2. SYSTEMATIC COMPARISON OF REFORMS

All EU and EFTA/EEA countries have granted greater management autonomy to schools during the period under consideration, except in Greece, Luxembourg and Liechtenstein. In Germany in the 1990s, the majority of the *Länder* created the legal basis for reforms, and the municipalities, as *Schulträger*, implemented pilot projects or introduced reforms leading to greater management autonomy for schools. So far, there has been no systematic review of the situation enabling an estimate of the number of municipalities in the 16 *Länder* which have already introduced such reforms in public-sector school budgeting.

Figure 2.18 gives the dates of the main reforms involving decentralization of responsibility to schools, by distinguishing between measures that related to operational activity, staff or several categories of resources (staff and operations) and those that enabled local authorities to delegate to schools some or all of their responsibilities. Measures relating solely to operational goods and services have been the most widespread, and also the earliest. There were no moves to reform the global allocation of staff resources before 1985. The most recent have been measures relating to several categories of resources, or those intended to give local authorities the right to delegate some or all of their responsibilities to schools.

FIGURE 2.18: DATES OF THE MAIN REFORMS INVOLVING THE DECENTRALIZATION OF DECISION-MAKING POWERS TO SCHOOLS, IN THE ACQUISITION OF GOODS AND SERVICES BETWEEN 1970 AND 1998



Source: Eurydice.

Additional notes

Germany: For the acquisition of operational goods and services, the majority of the *Länder* introduced reforms from 1990 onwards, but neither the scope of delegation of decision-making powers to schools nor the dates are identical for the 16 *Länder*.
Austria: *Allgemeinbildende höhere Schulen* only.
Portugal: Only schools offering the second or the third stage of *ensino básico*, or those that offer all three stages.

From systematic comparison of reforms involving decentralization, two kinds of similarity become apparent. First, reforms in several countries were accompanied by measures that altered schools (in terms of their status, size or decision-making bodies). Secondly, most of the reforms seemed to belong to one of the three following kinds of context: the decentralization of responsibility for the curriculum; an economic situation calling for a diminution in public expenditure; or a social and economic climate in which they were dominated by the influence of users, or market principles as a factor that would lead to enhanced public services.

FIGURE 2.19: CIRCUMSTANCES IN WHICH MANAGEMENT RESPONSIBILITIES (DECISIONS REGARDING THE ALLOCATION OF RESOURCES, WITH THE EXCEPTION OF SPECIFIC RESOURCES) WERE TRANSFERRED BETWEEN PUBLIC AUTHORITIES AND SCHOOLS IN THE PERIOD FROM 1970 TO 1998

	NATURE OF TRANSFER AND CATEGORY OF RESOURCES CONCERNED	AIMS	SCHOOL SIZE OR STATUS	SCHOOL DECISION-MAKING BODIES	EDUCATIONAL CONTEXT	ECONOMIC CONTEXT	POLITICAL CONTEXT
			EUROPEAN UNION				
B	Decentralization of operational resources and equipment (1984)	Give schools greater autonomy and control expenditure	Schools run by central government became 'seperately managed state services'			Decrease in public expenditure	
	Globalization, operational resources (1986)						
B fr	Globalization, staff resources (1992)		Clustering of secondary schools was encouraged from 1992 onwards				
B nl	Transfer of responsibility for managing schools to the LORGO (1991)	Develop the decentralization of management; improve social participation	Mergers and associations of schools were encouraged (1998)	Establishment of the LORGO in Community schools (1991), setting up of *scholengroepen* (1998)		Budgetary restrictions	

Source: Eurydice.

BEST COPY AVAILABLE

FIGURE 2.19 (CONTINUED): CIRCUMSTANCES IN WHICH MANAGEMENT RESPONSIBILITIES (DECISIONS REGARDING THE ALLOCATION OF RESOURCES, WITH THE EXCEPTION OF SPECIFIC RESOURCES) WERE TRANSFERRED BETWEEN PUBLIC AUTHORITIES AND SCHOOLS IN THE PERIOD FROM 1970 TO 1998

	NATURE OF TRANSFER AND CATEGORY OF RESOURCES CONCERNED	AIMS	SCHOOL SIZE OR STATUS	SCHOOL DECISION-MAKING BODIES	EDUCATIONAL CONTEXT	ECONOMIC CONTEXT	POLITICAL CONTEXT
	EUROPEAN UNION (CONTINUED)						
DK	Scope for delegation (1989)	Develop the influence of users		Establishment of a *Skolebestyrelse* in each school			Conservative and liberal parties in government
D	Transfer of operational resources from municipalities to schools in most *Länder* (from 1990s onwards)	Give schools greater autonomy in managing increasingly limited resources	Because of the decreasing number of pupils for schools offering one single course of education, a number of *Länder* introduced schools offering several courses	Already present	Introduction of the differentiated school system in the east German *Länder* after reunification in 1990 but, for economic reasons and because of the decreasing number of pupils, establishment of schools offering several courses of education		
E	Decentralization, operational resources (1980, 1985, 1995)	Give schools greater management autonomy		Definition of the tasks of the *Consejo escolar del centro* (1985); strengthening of the management team (administrator, secretary) in 1995	Decentralization of certain curricular components		Lessening of tension between egalitarian and liberal opinions
F	Decentralization of operational resources (1983)	Give secondary schools greater management autonomy	The *collèges* became local public-sector schools	Definition of the tasks of the *conseil d'administration*; new official status for school heads	Autonomy in the provision of education and the management of school time		A change of government
	Globalization of staff resources (1985)	Enable secondary schools to diversify their course provision					
IRL	Globalization of operational resources (1975, 1984)	Increase the contribution of public financing		*Boards of management* already existed			
I	Decentralization of operational resources (1974)	Develop school participation in management, and increase autonomy in administrative management	Schools were granted administrative autonomy (1974)	Setting up of the *consiglio di circolo, d'istituto* (1974)	Norms for methodological and educational experimentation		Mobilization of students and workers for greater participation in decision-making
	Decentralization – globalization of operational resources (1997)	Give schools greater responsibility and the flexibility needed to achieve educational aims	Mergers and closures of schools to increase their size. Schools became legal entities (1997)	The formal title of *dirigente scolastico* extended the responsibility of school heads (1998)	Reform of primary education (1990). Autonomy in educational and organizational matters (1997)	Rationalization and stabilization of public finances	Stability of the legislature Modernization of public administration
L	Decentralization of some operational resources (1990)	Increase the autonomy of secondary schools					

Source: Eurydice.

BEST COPY AVAILABLE

FIGURE 2.19 (CONTINUED): CIRCUMSTANCES IN WHICH MANAGEMENT RESPONSIBILITIES (DECISIONS REGARDING THE ALLOCATION OF RESOURCES, WITH THE EXCEPTION OF SPECIFIC RESOURCES) WERE TRANSFERRED BETWEEN PUBLIC AUTHORITIES AND SCHOOLS IN THE PERIOD FROM 1970 TO 1998

	NATURE OF TRANSFER AND CATEGORY OF RESOURCES CONCERNED	AIMS	SCHOOL SIZE OR STATUS	SCHOOL DECISION-MAKING BODIES	EDUCATIONAL CONTEXT	ECONOMIC CONTEXT	POLITICAL CONTEXT
			EUROPEAN UNION (CONTINUED)				
NL	Decentralization of operational resources (1985)	Use resources more effectively	Plan to increase the size of secondary schools (1987)	Already present *(bevoegd gezag)*		Economic recession; decrease in public expenditure	
	Globalization of staff resources (1992)	Use resources more effectively		Already present *(bevoegd gezag)*			Policy for greater self-determination and privatization in some sectors
	Globalization of operational resources (1993)	Increase the autonomy of schools		Already present *(bevoegd gezag)*			
	Globalization of staff and operational resources (1996)		Incentives to increase the size of primary schools	Already present *(bevoegd gezag)*			Policy aimed at introducing market principles into public service
	Scope for delegation of capital resources (1997)	Increase the autonomy of schools		Already present *(bevoegd gezag)*			
A	Decentralization of some operational resources (1998)	Increase school autonomy (AHS)	Establishment of a company with limited legal status for specific purposes		A limited degree of autonomy in educational matters		A change in the social and political climate, and a strengthening of civil society
P	Globalization of operational resources (1989)	Use resources more effectively	Clustering of schools offering the first stage of *ensino básico*; setting up of schools offering the three stages to increase school size	Tasks of the *director executivo* were redefined; setting up of the *Conselho de escola* and management council (1991)	Autonomy in educational matters		
FIN	Scope for delegation (1993)	Increase the autonomy of schools, and use resources more effectively		School boards could be established and the tasks of school heads redefined		Economic recession and reduced public spending	A change in policy: greater freedom of municipalities to be involved in educational activity
S	Scope for delegation (1991)	Increase the influence of users		School boards could be established and the tasks of school heads redefined			
UK	Decentralization of staff/operational resources (1988, 1989, 1993)	Decision-making at school level to improve quality Make schools compete with each other for the award of resources		Already present: *school governing body, board of governors* The tasks of school heads were redefined	Centralization of decisions regarding the curriculum	Limitation of public expenditure	A conservative government which directed its policy in accordance with market principles, and reduced the power of local authorities
			EFTA/EEA				
IS	Scope for delegation (1998)	Increase the influence of users					
NO	Scope for delegation (1992)	Increase the room for manoeuvre of municipalities		School councils could be established			Labour party in power

Source: Eurydice.

BEST COPY AVAILABLE

B.2.1. Changes in school characteristics

Status of schools

Four of the seven countries in which there was decentralization of responsibility for the acquisition of operational goods and services redefined the status of their schools (Belgium, France, Italy and Portugal).

The Belgian law of 1984 transformed their status from that of state schools dependent on central government to 'separately managed state services'. This status enabled them to use credit without having to comply with certain restrictive public audit regulations. In France, the law of 1983 granted lower secondary schools the status of public-sector institutions (or more precisely 'local public-sector educational institutions'). In Italy, the 1997 law confirmed the status of schools as legal entities, which they needed to carry out new responsibilities and secure autonomy in educational and organizational matters. The 1989 decree in Portugal established school autonomy vis-à-vis cultural, educational and administrative activity.

In Austria, there has been a development which does not really amount to a change in school status. *Allgemeinbildende höhere Schulen* which want financial autonomy (only in limited areas) may, in accordance with the law of 1998, establish a company enabling them to carry out transactions.

In most of these countries, reforms were associated with novel opportunities for schools to raise their own funds, which indeed was justification for changes in their status. These new funding mechanisms are discussed in greater detail in Chapter 5.

Size of schools

Changes affecting the number of pupils in schools occurred in Italy and Portugal, as well as Belgium and the Netherlands, in order to develop school autonomy and simultaneously achieve economies of scale.

In Italy, the 1997 law on autonomy meant the size of schools had to be readjusted. Since the end of the 1980s, several measures have been introduced to limit the number of schools and increase their size. And in 1996, a decree required the *provveditori agli studi* to adopt provincial schemes to cluster, merge or abolish schools. In 1997, the list of schools that had to be closed became even longer. A new decree concerning the size of schools came into force in 1998. In relation to autonomy, the grouping together of schools has been of special significance. Rather than aiming to achieve savings in the strict sense, it was about creating school units whose size would enable autonomy to be implemented. In Portugal, steps were taken in the 1990s to reorganize schools in the first stage of *ensino básico* so that they would be large enough to become autonomous. Schools brought together in this way were able to obtain the autonomous status secured by those offering the second and third stages. The very recent establishment of schools offering all three stages of *ensino básico* has been a reflection of the same trend.

In Belgium, measures to cluster secondary schools were introduced in 1992 in the French Community, and from 1998 in the Flemish Community. The aim in the first case was to increase autonomy (as the greater size of schools made it possible to offer a greater number of course options) and, in both cases, to restrict costs.

Increasing the size of schools in the Netherlands was an integral part of the whole policy of the 1980s and 1990s for making schools autonomous. In 1987, a plan to decrease the number of secondary schools was drawn up so that, from 1926 schools in 1987, the total fell to 800 in 1995. Ten years later, in 1997, financial incentives were introduced to encourage the clustering of primary schools. Very large schools (2000 pupils) received more extensive resources.

The size of schools appears not to have been the focus of major changes in other countries. The issue is less important in France and Austria where measures to decentralize have mainly affected lower secondary schools which are generally bigger than primary schools. In the United Kingdom, the LMS, which in 1988 only concerned large schools, was extended to all schools in the years that followed. However, it should be noted that, while LMS gave schools decision-making power, they were able, if they wished, to request that the LEA assist them with the necessary formal bookkeeping.

In Germany, the decreasing number of pupils for schools offering one single course of education led a number of *Länder* to introduce schools offering several courses *(Schularten mit mehreren Bildungsgängen)*.

Status and duties of school heads

In several countries, measures relating to decentralization of the acquisition of goods and services to schools meant that the status of their headteachers had to be changed.

As a result of the 1983 law in France, school heads became at one and the same time the chairpersons of their school boards and their central government representative. In Spain, the management team was strengthened in 1995, and consisted of the director, administrator and secretary. In Italy, a 1998 decree gave school heads the formal status of *dirigente scolastico* which extended their responsibilities, enabling them to run their schools and become their legal representatives. A 1991 decree in Portugal redefined the responsibilities of school heads, who became called *directores executivos*.

In Denmark, Finland, Sweden and the United Kingdom, decentralization measures went hand in hand with a fresh definition of the tasks of school heads. Their responsibilities were considerably broadened. In Scotland, the introduction of DSM was preceded by special training of school heads for their new duties.

In all cases, school heads were entrusted with responsibilities for administration as well as teaching. Yet Spain may be an exception in that its 1990 law (the LOGSE) intensified the teaching responsibilities of heads, and limited their administrative duties in which they were supported by a staff administrator.

The setting up of school management bodies with mixed representation

In most countries, measures involving decentralization meant the establishment of school decision-making bodies that included various stakeholders with a special interest in school activity. This occurred in Denmark in 1989, Spain in 1985 and France in 1983. In Portugal, several mixed membership bodies were set up in 1991. The reform of school management bodies (with mixed representation) which took place in Italy in 1974 is currently undergoing review. In the other Nordic countries, the establishment of a school decision-making body was decided by the municipality.

In Germany, Ireland, the Netherlands and the United Kingdom, such bodies existed well before measures to decentralize were introduced.

It should be noted that the involvement of stakeholders (particularly parents and teachers) in decision-making, which was meant to materialize in bodies with mixed representation, did not develop similarly in all countries. For example, the role of school boards in school management decision-making was in practice relatively limited in Scotland.

B.2.2. Contextual elements

Educational context: transfer of decisions concerning the organization of teaching

In several countries, decentralization of responsibilities for the acquisition of operational goods and services went hand in hand with decentralization of those relating to curricular form and content. At the same time as school management was becoming more autonomous in Spain, responsibility for the curriculum was also being decentralized. Similarly, from 1985 onwards in France, *collèges* became autonomous in their educational activity (so they could decide how pupils were to be grouped together and select specific subjects, etc.), and in the organization of school time both inside and outside the classroom.

In Italy, autonomy in the management of operational resources was also accompanied by autonomy in relation to educational matters. The 1997 law sought to develop a certain degree of flexibility in study options available, in order to achieve national objectives. With this aim in mind, the recently approved regulation on autonomy in the area of education provides for a part of the curriculum to be determined by schools themselves. In Portugal and Austria, schools acquired autonomy in financial and educational respects at the same time.

The 1994 curriculum in Sweden has concentrated on aims obliging the municipalities and schools to develop educational content at their own initiative, whereas the previous (1980) curriculum prescribed such content in greater detail together with the practical means of ensuring its provision.

One country, the United Kingdom (England, Wales and Northern Ireland), seems to be an exception to this general trend, since it established a statutory curriculum from 1988 (1989 in Northern Ireland), thus centralizing decisions in this area.

In Ireland, the incorporation of operational resources under a single heading has not been accompanied by decentralization as regards educational matters. Ireland has always had a national curriculum.

Economic context: limitation of public expenditure

Measures to limit public expenditure at a time of economic recession or increasing debt led to reforms involving decentralization and the transfer of responsibility to schools in several countries, namely Belgium, Italy, the Netherlands and the United Kingdom. The same rationale has also led to reforms at local level conducted in Germany.

The 1984 reform in Belgium was part of a general effort to stabilize public expenditure. As initial measures at the start of the decade were unable to achieve this to the required extent, the government called for fresh application of special powers in 1984 to achieve economic and financial recovery. When the 1986 reform was introduced, there was no change, and the government decided on a massive plan of budgetary savings. Given new special powers, it laid down a major plan for rationalization.

The aim of all the various measures to decentralize in the Netherlands was to limit costs and implement a system that made them easier to forecast. The previous system relied largely on mechanisms for reimbursing real costs, which could lead to considerable overspending. This was hardly justifiable at a time of severe economic recession in the 1980s when public expenditure was being cut back all round.

In Germany, measures for limiting public expenditure could also be implemented at municipal level, with the decentralization of operational resources to schools in the belief that the latter would be best placed to manage increasingly limited resources. In the 1990s, all sectors of public expenditure were in deficit. There was increasingly sharper awareness of the costs of the school system, as well as the need to use resources more effectively.

Finally, the desire to limit public expenditure emerged as a backdrop in other countries such as Italy, Sweden and the United Kingdom. In all three cases, measures to decentralize were really part of a political movement for the wholesale reorganization of public-sector services, through policies aimed at increasing the responsibility of service providers and the influence of users.

General political trends

The political wish to reorganize all sectors of public administration was the reason for several decentralization measures resulting in school autonomy. Two priorities that appear to have been uppermost were, on the one hand, increasing the extent to which users could influence public services and, on the other, privatizing the latter as services that were publicly funded but run by 'non-public' or semi-public entities.

➤ The influence of users as a quality factor in public services

In several countries, increasing the influence of users as a way of improving the quality of education was clearly at the heart of reforms aimed at decentralizing the responsibility for the acquisition of goods and services to schools. Parents and pupils could influence the educational policy of a school in several ways. First, parental representatives could directly participate in decision-making on bodies with mixed membership reflecting various interests. Secondly, they could also exert their influence by exercising their right to change their child's school. But whereas the first option was evident in all countries in which there were school bodies representing a variety of interests, the second was only to be found in countries where parents could choose their children's school freely (see Chapter 1 for further details) and schools competed for the highest possible enrolments.

The countries in which measures for decentralization were linked to the increased influence of parents arising from competition between schools were Denmark, Italy, Sweden and the United Kingdom. However, this policy materialized to a widely differing extent, depending on the country concerned.

In Denmark, the political will on the part of the government to develop market principles met with fierce opposition from the municipalities and teachers. In some municipalities, this led to restrictions on parental choice of schools and on the involvement of school boards in decision-making.

In Sweden, the principle at the heart of moves to decentralize, namely that all interests at local level should bear a greater share of responsibility, was strengthened when parents recently secured the right to choose their children's school. However, municipalities were free to decide how resources would be allocated, and thus to promote or restrict competition for them between schools. Furthermore, low population density in some regions has been another barrier to competition.

In Italy, the concept of school autonomy was part of broader legislative provision for administrative decentralization. It was a question of ensuring that citizens were the central consideration in deciding on the organization of administrative services, and that they were freed from their role as passive recipients. From 1995 onwards, each school had to draft a charter outlining the educational services it provided, the courses it offered and its professional, material and logistical resources. It also had to define in the charter the quality standards it undertook to respect. The measures for the closure of schools with fewer than a certain number of pupils were another factor giving rise to real competition between schools to boost their enrolments.

The 1988/1989 measures in the United Kingdom may be associated with the development of consumerism and a greater choice of schools for parents who were calling for the right to decide freely where their children were educated. The government decided to respond to their wishes in a general plan for the improvement of educational provision, involving competition between schools. Such competition has doubtless developed most in the United Kingdom, although this has to be seen in perspective. For example, in Scotland, comparatively few parents have chosen to send their child to a school outside the immediate catchment area.

In this context, publication of the results or the characteristics of schools appears to be an essential element in regulating competition. Information on provision at each school enables parents to be fully aware of the options available to them when they choose a school for their child. Chapter 6 considers in detail how each country affected by the development of competition between schools has settled this issue.

➢ 'Privatized' school management

Another important political change explains some of the measures aimed at decentralizing decision-making at school level. This is the shift from educational provision for which (national or local) public authorities are responsible overall to arrangements in which responsibilities are shared: on the one hand, the authorities set out the aims and main guiding principles while, on the other, service providers offer to undertake their practical realization.

This political change only serves to explain measures in which responsibilities are decentralized from the public authorities to bodies that are legally independent of them. It displays several characteristics, as follows:

- the public bodies concerned are not elected authorities or the administration that supports them, but public law companies, municipal associations, or autonomous councils of administrative staff some of whom are nominated by the public authorities;
- arrangements for financing do not distinguish between the bodies offering their services, whether they are private, public or semi-public;
- the bodies assume the prime management responsibilities (recruitment and payment of staff, acquisition of operational goods and services).

In short, therefore, the change involves discharging the public authorities of certain responsibilities handed, instead, to various new entities working under a 'management contract' with the former.

Only a few countries appear to conform to this pattern and, at this stage of the analysis, none of them seems entirely to match the three characteristics referred to above.

In Belgium, where grant-aided private education is firmly consolidated, the delegation of responsibilities for their own schools, which the public authorities had normally assumed themselves, to autonomous bodies (the ARGO and LORGO in the Flemish Community of Belgium) was a first manifestation of the above-mentioned change. However, the financing of grant-aided private schools has remained different from that of public-sector schools, notwithstanding a growing similarity between certain aspects of funding.

In the Netherlands, the partner of the public authorities is the *bevoegd gezag* (a public or private body). The financing of private-sector education has long been comparable to that in the public sector. However, until recently, the *bevoegd gezag* was not considered in exactly the same way, as the municipal authorities had to systematically pay the *bevoegd gezag* for private entities the same sums that it spent on its own schools. Since 1994, the authorities have become responsible instead for simply allocating their resources fairly to the various schools, whether private or public, so that the position of grant-aided private schools vis-à-vis public-sector ones has changed.

It is no doubt worth noting that the 1998 law in Finland led to a reassessment of procedures for funding private schools to bring them into line with those for public-sector schools. There is no longer any distinction between these public or grant-aided private entities, which are all known as *koulutuksen järjestäjä* (or 'education organizer'). However, municipalities are obliged to provide education within the area under their jurisdiction irrespective of however many schools administered by private entities may be located there. All municipalities are *koulutuksen järjestäjä*. Government subsidies to municipalities for pupils resident in their area of jurisdiction are directly allocated to the *koulutuksen järjestäjä* (the majority of which are municipalities in any case).

In the United Kingdom, the decentralization of decision-making power to *school governing bodies* also corresponds to this pattern, with a transfer of responsibility from public authorities to autonomous entities. The *grant maintained schools* that existed from 1989 to 1 September 1999 in England and Wales (see Chapter 2, point III.A) may be identified even more closely with privatization. Although *grant-maintained* status has now been abolished, it merits consideration as an expression of the very strong political determination in the United Kingdom to entrust as much financial and administrative responsibility as possible to schools no longer subject to LEA oversight.

B.3. DISCUSSION

Over and above aims and circumstances associated with the reforms for decentralization of financial and administrative responsibilities, it is worth examining the consequences of autonomy at various levels. This section will focus primarily on the issues of administrative workload, the use of autonomy to develop new management models, and on the financial risks borne by schools, which are liable to result in them limiting expenditure on staff.

B.3.1. Administrative workload

Numerous measures to decentralize responsibilities to schools have sought to reduce the administrative procedures of central government, which are perceived as cumbersome and ineffective. The consequences of decentralization have not often been evaluated.

One study conducted in the Netherlands seems to indicate that introduction of a system of global allocation of staff units, such as the FBS, is not markedly conducive to a reduction in administrative work at central government level. Implementation of the operational allocation in primary education also proved to be very heavy for central administration, and this led to simplification of the criteria considered. The BSM system which awards a global allocation to secondary schools was also the subject of a study. It found that the use of a complex programme for the analysis of school needs which increased the administrative workload did not lead to any more effective allocation of funds than simple criteria, such as the number of pupils or the surface area.

From this analysis, it may be concluded that introducing a system of global allocation will only be economic as far as the body responsible for funding is concerned if the criteria used for the evaluation of needs are simple.

Schools also face an administrative workload. This has been evaluated in Scotland following implementation of DSM. It found that school heads had to deal with a substantial increase in administrative duties. This did not appear to affect the exercise of their teaching responsibilities. Nevertheless, heads had to rely on support in carrying out the most technical aspects of such tasks.

B.3.2. Real use of school autonomy

In many countries, administrative and financial autonomy has been devised so that schools can develop greater flexibility in their course provision, use of local resources, staff management and the acquisition of operational goods and services. It is thus interesting to consider the extent to which they have made the most of this autonomy. Here again, there has been little evaluation of the issue.

The various measures introduced in France have led to many very different kinds of lower secondary school. This variety, which is formally recognized by central government in its provision for 'school plans', is felt by some to threaten the uniformity and unified nature of the national education system.

In the Netherlands, the scope schools had for making transfers between the 'salaries' and 'equipment and materials' budget headings was relatively unexploited in the years that followed implementation of the global allocation system. Only one school in four took advantage of these possibilities to a limited extent. From the staffing angle, in 1995, three years after the introduction of FBS, only one primary school in four and one secondary school in two had introduced a staff management policy that differed from previous practice. To help schools become more responsive to new management methods, alternative management models were drawn up at national level and recommended to schools.

In Scotland, the effects of DSM on educational provision appear to have been modest. On the other hand, they seem more readily noticeable in the area of equipment and materials management. However, it should be emphasized that the measures introduced in these last two countries are relatively recent and have been adopted at a time of budgetary restrictions. In both countries also, the global budgets have proved inadequate, and these financial handicaps have most likely limited the extent to which school autonomy can be turned to good effect.

B.3.3. Financial risk and the temptation to spend less on staff

Staff costs, which account for the greater part of school budgets, vary with respect to the age and seniority of those concerned. This may encourage schools to follow a policy designed to limit their budget for 'expenditure on staff', assuming they are free to do so. One tactic might be to fill posts falling vacant when staff retire with temporary staff, or additional staff who have yet to obtain a formal teaching qualification, rather than simply appointing another teacher.

Implementing the decentralization of staff management to schools might result in abnormal practice of this kind. It is thus interesting to examine how countries resolve such problems. To combat this tendency in the Netherlands, subsidies to secondary schools are readjusted in accordance with the average age of staff at the school concerned.

However in the United Kingdom, which has had 10 years of allowing such freedoms to individual schools, there is no evidence that schools behave in this way. Instead, they generally employ staff of the highest possible standard who are fully qualified although where schools have a high proportion of very experienced staff, they may seek to employ newly qualified teachers in order to redress the balance and contain costs. In relation to staff, the trend has been to employ more non-teaching staff – not to reduce the number of teachers – but by using expenditure which they formerly spent on premises (heating, etc.) and which they have now reduced by good housekeeping.

IV. SUMMARY

This chapter has examined how responsibility for decision-making on the financing and management of resources is shared between the public authorities (central government or top-level educational authorities, and local authorities) and schools. It began by identifying the players responsible for the acquisition of the goods and services required for primary and lower secondary schools to function (staff, operational goods and services and capital). In doing so, it highlighted the fact that, where funding mechanisms differ between the two levels, the acquisition of operational goods and services is more decentralized at secondary level.

The chapter then considered the issue of shared responsibility, examining the role of local authorities (generally the municipalities) in the financing of schools. It showed the range of variations between situations in which local authorities are not involved in decision-making at all and those, at the other extreme, in which they are responsible both for decisions about the general volume of resources to be earmarked for the education provided in the area under their jurisdiction, and decisions on the distribution of resources among the various schools involved. The responsibility borne by some local authorities in financing education raises the question of disparities between them in the provision from which pupils may benefit. The existence or otherwise of national regulations which have a strong bearing on the decision-making of local authorities and may limit their room for manoeuvre was systematically examined alongside the analysis of their responsibility. It sometimes happens that the autonomy of local authorities responsible for financing the distribution of resources is reduced by central legislation which may be quite strict, for example, as regards the mechanisms for distributing resources among schools.

Next, the chapter considered the responsibilities of schools in this area. Here again, there are wide differences between schools which are responsible for managing a budget relating to all or part of their current operational expenditure and those which, far less commonly, administer a much bigger budget covering expenditure on staff. In 1997/98, systematic decentralization to schools of budgets for capital expenditure did not exist. On occasions, management of capital resources could be delegated.

The chapter continued with a historical analysis of reforms which various governments have introduced in the last 30 years, and which are focused on local authority and school autonomy, respectively. As regards the former, the analysis reveals that most reforms have occurred in countries in which local authorities enjoyed considerable decision-making power in the acquisition of goods and services, for which they were subsequently reimbursed by central government. All countries in which these arrangements applied to expenditure on staff reformed them, either by decentralizing to local authorities all responsibility for financing (as occurred most frequently), or by increasing central government control over the amount of expenditure. The decentralization of decisions on financing and management to local authorities which were previously not involved in arrangements for awarding resources to schools, is far less common. It should be noted that decentralization involving a transfer of responsibility for the distribution of resources to locally situated departments or branches of central government, is also uncommon, barely meriting any inter-country comparison.

As to schools, responsibility for the acquisition of routine operational goods and services has been transferred to them in a large number of countries where they now exercise it fully. This trend got under way in the 1970s and is still continuing. In just a few countries, the responsibility of schools has been extended to the acquisition of staff with the introduction of a block grant to cover the staff and operational resource categories. In other more recent instances, local authorities have been authorized to delegate all their responsibilities to schools. All these trends may be associated with school autonomy in educational matters.

CHAPTER 3
DETERMINING THE AMOUNT OF RESOURCES AWARDED TO SCHOOLS

CENTRAL ISSUES

The general problem facing the public authorities is to respond to the twofold challenge of allocating resources (1) to schools in accordance with their needs and sharing out these resources among all schools.

The difficulty for policy-makers in establishing the amount of resources awarded to schools may be greater still if their responsibilities (and budgets) cover education and other sectors (such as, for example, the construction of road networks and the protection of the environment, etc.). In such instances, reaching a fair decision is of relevance not just to schools alone, but the different public sectors concerned.

In theory, the effective management of public resources requires that they should be shared out among all sectors in such a way that each sector exhibits the same marginal utility. This means that the overall satisfaction of the population would not be increased after transferring funds from one sector to another (2). While this is the principle that might dictate the amounts allocated to education in general and schools in particular, it is impossible to apply because it is so difficult in practice to measure the marginal utility of money earmarked for various sectors. As a result, the public authorities rely on a more pragmatic management approach which involves establishing a given level of quality, usually with due regard to practice in other countries, and then working out a structure for the education system so that this quality level can be achieved in a way consistent with respect for general political principles of central importance to the population (including a high level of schooling and a free choice of school). The resources awarded to education in general and schools in particular are the result of estimating the cost of the structure proposed for the education system concerned.

Two factors are involved in deciding on a procedure for determining the volume of resources to be allocated to schools: first, the general organization chart setting out the responsibilities of all those involved in the allocation (3) and, secondly, the methods used to calculate the amounts of resources allocated. The directness of these methods will depend on whether they are based on the specific needs of a given school, or solely on indicators – which may vary in number and precision – of the scale of such needs (such as the number of pupils, the geographical location of a school and the characteristics of the pupils attending it).

The relation between the organization chart setting out the responsibilities of administrators and the particular procedure finally chosen to determine the volume of resources is self-evident. It is very difficult for administrators at the highest level of authority to assess the needs of all schools for which they are responsible. The greater the number of schools for which they are responsible, the harder it is for them to be aware of the specific individual requirements of each school, so that the use of need indicators in resource allocation becomes essential.

This chapter focuses on the different procedures for determining the volume of general resources ultimately used by schools. This will entail a comparison of the procedures established in the different national systems for fixing staffing levels (in terms of a number of hours or budgetary allocation) which may be available to schools, as well as the volume of operational goods and services and the scale of the capital resources they receive.

More specifically, this chapter will set out the indicators involved in establishing volumes of resources. Although it would be interesting to compare directly the various amounts actually awarded, the wide

---

(1) These resources may be regarded as 'rare' when considered in relation to the large number of needs.

(2) If improvements made to the legal system following the transfer of EUR 1 000 from education to justice are regarded as more socially useful than whatever would be achieved if the same sum remained earmarked for education, then the transfer should go ahead. If they are regarded as less socially useful, it should not.

(3) This organization chart makes clear who takes what decisions, which has an inevitable bearing on the amounts actually established.

BEST COPY AVAILABLE

variety of different circumstances facing schools, as well as differences in the way they operate, make this impossible, as there are no reasonably representative similar elements on which such a comparison might be based.

It should be borne in mind that no analysis of procedures for determining the volume of resources awarded to schools can be carried out without also considering how their transfer is organized. Whereas some countries take all indicators for optimal identification of school needs into account from the outset, others award resources to schools on the basis of a rough and ready calculation which they may later adjust by allocating specific additional resources (see Chapter 4).

The first part of this chapter describes the various techniques employed to estimate resources required by schools to conduct their activities as they should, as well as variables considered in reaching this estimate. The second part is devoted to a review of the reforms carried out in this area, along with the contextual factors which account for them.

DEFINITIONS

Generally speaking, techniques for establishing the amount of resources awarded by the public authorities may be classified as follows:

- amounts may be regarded as **freely determined** by the authority concerned when they are fixed without it having to refer its decision to any other authority (meaning that there is no set mathematical procedure or formula to calculate the amounts awarded, and that an estimate of needs and the allocation that goes with it take place on a case-by-case basis);
- **budgetary approval** involves awarding schools resources which correspond to a budget they have drawn up themselves for approval by the competent public authority;
- the **administration of applications** involves awarding resources to those schools which (most) need them, on the basis of applications processed by the competent public authority. It should be noted that several procedures are possible, depending on whether or not the total budget to be allocated by this authority is a limited one. If it is, it must share out the resources available among those schools that have applied for them and/or satisfy only those applications which, in terms of its own criteria, appear to merit priority consideration. If the budget is not unduly limited, the award (or otherwise) of resources requested by schools depends solely on whether applications comply with certain clear prerequisites;
- the **conversion table** technique involves use of a pre-established table in which a given value of resources (expressed as an amount or a number) corresponds to one or several indicators of school needs;
- techniques that make use of a **mathematical formula** are based on the same principle, the sole difference being that the indicators of a school's needs are incorporated into a mathematical formula which determines the amount of resources awarded to the school concerned.

Use of the first two techniques may be the outcome of consultation and/or negotiation involving the authority that takes the final decision and the schools. The latter may thus have a significant influence on the way resources are distributed.

In the case of both conversion tables and mathematical formulas, different components may be added one after the other, in accordance with the indicators used to determine the resources awarded.

- A **per capita** (¹) amount is obtained by multiplying the number of pupils and a given value (which may be either a monetary value or expressed in physical or human resource units). This amount is directly proportional to the number of pupils enrolled.

(¹) The per capita amount called the 'flat-rate amount per pupil' in some countries should not be confused with a flat-rate amount per school which may be awarded to each school independently of the number of pupils.

- An amount derived from another mathematical operation is a **function of the number of pupils** but not necessarily directly proportional to that number as above. In a relation of this kind, a first group of pupils may correspond to a higher allocation than do the remainder, to take account of what are assumed to be growing returns of scale.
- A **discontinuous** function is characterized by thresholds, or limiting values, at which the amounts of allocations jump from one level to another much higher level.

I. DESCRIPTION OF THE SITUATION IN 1997/98

Chapter 3, point I.A covers the techniques used to get an idea of what schools need. Chapter 3, point I.B deals with indicators taken into account in determining the volume of resources made available to schools. Chapter 3, point I.C combines both sets of information by category of resources, while Chapter 3, point I.D summarizes the procedures for determining the volume of resources awarded to schools, country by country.

A. METHODS FOR DETERMINING AMOUNTS OF RESOURCES

The public authorities have to give schools the resources they need to provide an educational service to the required standard. How best to do so may be viewed from either a macroeconomic or microeconomic standpoint. The task is, first, to define with a reasonable degree of accuracy an implicit level of quality that ought to be achieved throughout the education system as a whole and, then, distribute the resources released for this purpose among all schools committed to ensuring that the collective demand for quality materializes.

Consideration of the procedures used to determine amounts of resources in the EU and EFTA/EEA countries reveals two contrasting methods: the first takes observable criteria as its starting point and applies to them a universally agreed rule to fix the amount of resources to which each school is entitled; the second involves an individual estimate which may or may not be based on observable criteria, but which is subject to no objective rule or procedure applicable to all schools. Techniques that make use of conversion tables or mathematical formulas are associated with the first category, while the administration of applications and budgetary approval belong to the second. The determination of amounts as it wishes by a political authority may also be bracketed with the second category since, even if that authority has to take certain observable criteria into account, it decides unilaterally what resources each school will get. Figure 3.1 sets out the techniques for establishing the volume of resources awarded to schools in the various countries.

FIGURE 3.1: TECHNIQUES FOR ESTABLISHING AMOUNTS OF RESOURCES, 1997/98

		STAFF	OPERATIONAL GOODS AND SERVICES	CAPITAL
SYSTEMATIC COMMON RULE	MATHEMATICAL FORMULA	**B nl**, **D**, **IRL**, **NL**, **A**, **P**, **UK**, **IS**	**B**, **IRL** (p, VSS), **NL**, **A** (AHS), **P** (2nd and 3rd stages), **UK**	**B**
	CONVERSION TABLE	**B fr**, **EL**		
NO SYSTEMATICALLY APPLIED RULE	THE VOLUME OF RESOURCES IS ESTABLISHED FREELY BY THE ADMINISTRATIVE AUTHORITY CONCERNED	**E**, **F**, **I**, **L**, **LI** (s)	**E** (s), **IRL** (CCS, VCC), **L**, **LI** (s)	**E** (s), **IRL**, **L**, **A** (AHS), **LI** (s)
THE METHOD ADOPTED DEPENDS ON THE REGIONAL OR LOCAL AUTHORITY CONCERNED WHICH FREELY DETERMINES THE KIND OF RULE IT WILL USE.		**DK**, **FIN**, **S**, **LI** (p), **NO**	**DK**, **D**, **EL**, **E** (p), **F**, **I**, **A** (p, HS, PS), **P** (1st stage), **FIN**, **S**, **IS**, **LI** (p), **NO**	**DK**, **D**, **EL**, **E** (p), **F**, **I**, **NL**, **A** (p, HS, PS), **P**, **FIN**, **S**, **UK**, **IS**, **LI** (p), **NO**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: The mathematical formula may vary, depending on the *Land* and type of school.

Greece: The ministry may provide for exemptions from the rule in some cases involving special regional considerations, or for educational reasons.

Ireland: VSS = *voluntary secondary schools*; VCC = *vocational schools* and *community colleges*; CCS = *community* and *comprehensive schools*. The *community* and *comprehensive schools* submit a budgetary estimate to the Department of Education and Science for approval.

Austria: The acquisition of certain supplies lasting less than a year is included under the heading 'capital'.

United Kingdom (E/W/NI): The purchase of furniture and equipment, as well as minor repairs and maintenance, are considered to be revenue expenditure covered by a schools's delegated budget which, in turn, is based on a mathematical formula (age-weighted pupil numbers). Other capital expenditure is held centrally but decisions are made by the local authority.

As the table suggests, countries may be placed in three main categories as follows: those which use a common rule as a matter of course; those in which no rule is applied systematically (and an administrative authority is responsible for establishing the amount of resources for individual schools on a case-by-case basis); and those which have decentralized this responsibility, so that there is no single method of establishing the amounts awarded to schools, as the local authorities freely choose their own methods.

Some countries belong to several categories, depending on the level of education concerned, or the kind of resources being allocated.

A.1. A GIVEN RULE IS APPLIED SYSTEMATICALLY

Nine countries have adopted this procedure for one or more resource categories, namely Belgium, Germany, Greece, Ireland, the Netherlands, Austria, Portugal, the United Kingdom and Iceland.

Most of these countries use a mathematical formula or conversion table to establish the teaching staff resources to which each school is entitled. Just five of them use a general rule of this kind to determine the scale of resources that schools earmark for operational purposes. In the United Kingdom, a mathematical formula is used to determine a school's operational allocation which serves, amongst other things, to remunerate staff, and only Belgium (Flemish and French Communities) relies on a similar procedure across all resource categories, including capital.

The *Länder* in Germany all employ the same technique for staff resources, even though the mathematical formula they use may vary. The parliament in each *Land* establishes the number of teaching posts to be allocated in the proposals for the annual budget. The proposals set out very clearly the basis on which this number is calculated, as well as details relating to all supplementary needs. The authorities responsible for allocating posts to the various schools have, in practice, merely to convert the specific circumstances of each school into a number of teaching posts.

In the United Kingdom (England, Wales and Northern Ireland), the *Local Education Authorities* (LEAs) and the *Education and Library Boards* draw up the formula governing the distribution of resources to schools, within the broader regulatory framework laid down by the *Local Management of Schools* (LMS) discussed in Chapter 2. In Scotland, the local authorities have opted for the systematic use of formulas to establish the allocations for staff and operational purposes.

A.2. DECISIONS ARE AT THE ENTIRE DISCRETION OF THE MINISTRY OR OTHER ADMINISTRATIVE AUTHORITY

Some countries have no strict rule for the distribution of resources, so decisions are taken instead on an ad hoc basis by the authority concerned. While this technique may appear more arbitrary, it may also have the advantage of offering a more appropriate response to individual circumstances than the application of a uniform rule.

In Spain, the *Departamentos* or *Consejarías de educación* and the *Direcciones provinciales de educación* are responsible for the allocation of all resources in secondary education, along with all staff resources, some operational resources and the greater part of capital expenditure in primary education. Neither of these two kinds of authority have any predetermined rule for establishing the amounts awarded. Instead, they estimate needs and grant the resources required to satisfy them.

In Ireland, the Department of Education and Science distributes the budget for capital expenditure among schools without using any kind of clear-cut public distribution formula. The same applies to expenditure on operational activity in the *community* and *comprehensive schools*. In the case of the *vocational schools* and *community colleges*, the *Vocational Education Committee* (VEC) of the local authority distributes the necessary amounts.

In Italy, the Ministry of Education is not obliged to follow any systematic rule in determining the allocation of teaching staff to schools. However, the Ministry has to take certain specific indicators into consideration, even though it is free to decide precisely how it does so.

The Ministry of Education and Vocational Training in Luxembourg has no hard and fast rule for establishing the amounts of resources. It draws on its familiarity with the individual circumstances of each school and the way they may have been changing.

In France, the competent authority has an entirely free hand solely in decisions relating to expenditure on staff. The way teachers are assigned among the different *rectorats* by the Ministry, then by a particular *recteur* among the different groups of schools for which each *inspecteur d'académie* is responsible and, finally, by the *inspecteur d'académie* to the individual schools is a matter for decision by the successive levels of authority involved and not dependent on any regulation drawn up in advance. However, the geographically decentralized divisions of the Ministry of Education negotiate the distribution of staff with the centralized ministerial departments, the regional and local authorities and the schools themselves.

In Austria, the authority concerned can only act at its entire discretion where capital expenditure is concerned: each *Landesschulrat* establishes, as it sees fit, the volume of resources to be awarded to each of the *allgemeinbildende höhere Schulen* for its expenditure under this heading.

A.3. THE METHOD OF DETERMINING THE AMOUNTS OF RESOURCES AWARDED TO SCHOOLS DEPENDS ON THE REGIONAL OR LOCAL AUTHORITY CONCERNED

In some countries, the authorities that award resources to schools are decentralized and act with relative autonomy when deciding on the amounts allocated (see Chapter 2). Such decentralization of funding (itself defined as the final stage in the transfer of resources to schools), has generally meant decentralizing the decision on the method of fixing the amounts that each school is actually awarded. As a result, the public authorities concerned may have established a rule for this purpose which they apply as a matter of course, but solely within the geographical area under their jurisdiction, so that it cannot be inferred that there is a general rule applicable to the entire country.

Generally speaking, the countries in this category are in the main those that have introduced extensive measures for decentralization backed by real autonomy for the local bodies concerned.

In most countries, the municipality takes the decision. This applies to Denmark, Finland, Sweden, Liechtenstein (primary schools) and Norway in the case of all budgetary headings. It applies to Germany (as regards the acquisition of operational goods and services, the salaries of non-teaching staff and expenditure on capital), to Greece (as far as operational goods and services and some capital expenditure are concerned), to Spain (the *Concejalia de educación* for local government, in relation to a share of operational and capital expenditure by primary schools) and, in the case of operational and capital resources awarded to schools, to France (in primary schools), Italy, Austria (in primary schools, the *Hauptschulen* and the *Polytechnische Schulen*) and Iceland. Similar arrangements in the Netherlands and the United Kingdom relate solely to capital expenditure. It should be noted that Dutch local authorities are now given responsibility for pursuing local educational policies under national legislation guaranteeing equal treatment for public and private education.

In other cases, authorities that are more distant from schools decide on the volume of their resources. In Greece, the prefectorial governments apply their own rules for determining the amounts for the share of capital resources they administer. In France, the *départements* are responsible for financing the operational goods and services and the capital of *collèges*, and drawing up their own criteria for this purpose.

B. FACTORS TAKEN INTO ACCOUNT IN DETERMINING THE LEVEL OF SCHOOL RESOURCES

The rules used to make the necessary calculations will vary in complexity, depending on the number of variables taken into consideration. Some countries develop elaborate formulas as they attempt to estimate as accurately and precisely as possible the real needs of schools. Others prefer a broader estimate based on a limited number of indicators. Yet others, relying on the fact that local decision-making authorities and schools are close to each other, leave the decision entirely to the former on the grounds that they are thoroughly familiar with the needs of the schools concerned.

Three categories of countries may be considered, as follows:

- Category 1: countries which consider that a limited number of indicators, such as the number of pupils and classes, as well as the number of hours of lessons to be given and the surface area of the building (1), are broadly indicative of a school's needs;
- Category 2: countries which make a thorough estimate of the needs of schools by broadening, sometimes considerably, the range of indicators employed. Indicators that may be used in this way include the social background of pupils, the geographical location of a school (whether or not it is in an urban or rural environment, a socially disadvantaged area, a region with a particular climate, and so forth), the type of school, its existing facilities and particular characteristics of its pupils (such as a specific handicap, or the mother tongue), etc.;
- Category 3: countries in which the choice of indicators depends on the responsible authority, with the result that identification of a particular national or regional policy is not possible.

The various foregoing categories may be observed within a single country, particularly where decisions on the amount of resources to be awarded to schools have been decentralized, so that different systems exist alongside each other.

---

(1) It should be noted that these indicators are generally interdependent. The relation between them may sometimes be defined in terms of regulations. For example, formal requirements regarding a minimum/maximum number of pupils per class mean that the number of classes depends on the number of pupils. Regulations governing the workload of pupils imply a direct relation between the number of classes and the number of hours' teaching. Yet other regulations relating to the working conditions of teachers make it possible to calculate the number of teachers needed to give the number of hours of teaching that have to be provided. Legislation on teaching staff remuneration links the number of teachers to the total amount of the financial resources needed to pay their salaries, etc.

FIGURE 3.2: INDICATORS TAKEN INTO ACCOUNT WHEN DETERMINING THE VOLUME OF RESOURCES, 1997/98

Category 1: Use of a limited number of summary indicators			
INDICATORS OF NEEDS	STAFF	OPERATIONAL GOODS AND SERVICES	CAPITAL
NUMBER OF PUPILS	B fr, EL (p), IRL (p, VSS)	B fr, B nl, IRL (p, VSS)	
NUMBER OF PUPILS AND OF CLASSES		NL (p)	
Category 2: Use of summary indicators and a variable number of other indicators			
INDICATORS OF NEEDS	STAFF	OPERATIONAL GOODS AND SERVICES	CAPITAL
NUMBER OF PUPILS AND OTHER INDICATORS	B nl, D (teaching staff), EL (s), F (p), IRL (CCS), L, NL (p) , P (1st stage), A (non-teaching staff), UK (SC), IS	IRL (CCS), I, L, P (2nd and 3rd stages), UK (SC), IS	
	NL (s), UK (E/W/NI)		
NUMBER OF CLASSES AND OTHER INDICATORS	P (1st stage, non-teaching staff)		
NUMBER OF PUPILS AND CLASSES AND OTHER INDICATORS	E, I, NO	A (AHS), IS, LI	
NUMBER OF HOURS OF LESSONS REQUIRED (AND OTHER INDICATORS)	F (s), A, P (2nd and 3rd stages)		
SURFACE AREA AND OTHER INDICATORS			B, D, IS
Category 3: The choice of one or more indicators depends on the responsible authority so that it is not possible to identify a policy applied on a general basis			
	STAFF	OPERATIONAL GOODS AND SERVICES	CAPITAL
	DK, IRL (VCC), LI	DK, D, EL, E, F, IRL (VCC), A (p, HS, PS), P (1st stage), NO	DK, EL, E, F, IRL, I, L, NL, A, P, UK, LI, NO
	FIN, S		

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Denmark: The situation varies from one municipality to the next. In around half of them, the decision is based on the number of pupils and other indicators. In the remainder, it is based on the number of classes and other indicators.

Greece: As regards staff, the ministry may provide for exemptions from the rule in some cases involving special regional considerations, or for educational reasons.

Ireland: VSS = *voluntary secondary schools*; VCC = *vocational schools* and *community colleges*; CCS = *community* and *comprehensive schools*.

Austria: The acquisition of certain supplies lasting less than a year is included under the heading 'capital'.

Finland and Sweden: The three columns of the table have been merged because there is a global allocation for all categories of expenditure.

United Kingdom (England): Since April 2000 in England, an element of capital funding has been distributed to schools on a per capita basis. Its value rises with the level of education and also incorporates higher rates for pupils with special needs.

Iceland: Operational resources are normally calculated with respect to the number of pupils and other indicators. However, since the size of classes varies considerably, some municipalities have to take classes, rather than pupils, into account.

Explanatory note

In some countries (see the financial flow diagrams in Section 3 of the General Introduction), allocations for some categories of non-teaching staff are calculated in accordance with the same procedure as for operational goods and services.

The following analysis is of more specific relevance to countries in categories 1 and 2.

The most commonly used variable for assessing school needs directly or indirectly, and irrespective of country or resource category, is the **number of pupils**. This applies to Belgium, Ireland, Luxembourg and the Netherlands (in secondary education); to the United Kingdom and Iceland in the case of teaching staff and operational goods and services; to Germany and Greece for teaching staff; and to France, the Netherlands and Portugal as regards teaching staff in primary education. In Denmark, the municipalities freely determine the rules for calculating the award of resources and, in some cases, use the number of pupils as their main indicator.

The **number of classes** is also used to estimate school needs. This applies to some municipalities in Denmark, as well as to Spain, Italy and Norway in the case of human resources. In all these countries, the existence of formal requirements regarding the size of classes means that there is a direct regulated relation between the number of classes and the number of pupils. The number of classes is used in Austria to determine allocations of non-teaching staff and certain operational resources in the *allgemeinbildende höhere Schulen*, in Portugal to determine the number of non-teaching staff members in schools offering the first stage of *ensino básico* (basic education), and in Liechtenstein in the case of operational goods and services. The number of classrooms is used in the Netherlands to calculate operational costs in primary education.

The **number of hours of required lessons** may have a bearing on the total volume of staff resources awarded to schools. In Germany, responsibility for this aspect lies with the *Länder* which decide which indicators they will use. In all *Länder*, the methods of calculation incorporate the following factors: the number of pupils per class, the number of hours of lessons per teacher, and the number of lessons given per class. The volume of staff resources for secondary schools in France is fixed on the basis of structural norms (divisions and sub-divisions), time allocations for compulsory courses and an average derived from the time allocations for optional courses. The same applies in Austria and Portugal (in schools offering the second and third stages of *ensino básico*), where teaching staff have to be assigned to schools with due regard to the required number of hours of teaching, depending on particular subjects and the number of pupils, or the formation of class groups.

Formal surface area requirements authorized per pupil determine the volume of resources awarded to each school for its capital expenditure in Belgium, Germany and Iceland.

Other indicators are used less frequently in conjunction with a basic indicator, in order to refine the assessment of school needs. Their inclusion in the method of fixing the amount of resources awarded to schools may derive from a strategy for including, in the allocation, resources that enable them to satisfy all their needs. An alternative strategy involves identifying basic resource allocations, and then making additional resource transfers to satisfy their specific needs.

Relevant indicators in refining the assessment of what schools need, and working out the amounts of resources to be awarded to them, are numerous and very varied. Essentially, they relate to the following:

- **Past experience**. Expenditure from the previous year is regarded as a norm which may then be adapted depending on one or other indicator such as, for example, the rate of inflation. This occurs in Portugal, where average expenditure on water, gas, electricity and telephone calls is taken into account in the operational allocation to schools offering the second and third stages of *ensino básico*, and in the United Kingdom (Scotland) in the case of operational resources.
- **Social attributes of the school population or the municipality** in which the school is located. This applies to Spain, in the case of human resources, and to the French Community of Belgium, France, Ireland, Italy, the Netherlands, Portugal and the whole of the United Kingdom, in the case of staff and operational resources. This issue is discussed further in Chapter 4.
- **The presence of foreign pupils** and/or **those who do not speak the language of instruction** is taken into account in relation to teaching staff resources in Denmark, Germany, Spain, the Netherlands, Austria, Iceland and Norway. Again, Chapter 4 deals further with this aspect.
- **Other features of the school population**. The presence of pupils with special needs is also included among indicators with a bearing on the resources awarded to schools for staff and, sometimes, operational expenditure in Germany, Italy, Portugal, the United Kingdom (England and Wales), Iceland and Norway. This is not a matter of resources awarded to special education (which lies outside the scope of this study), but relates to the fact that pupils with special needs are included in mainstream schools and influence the volume of public resources awarded to

them. Spain takes account of the performance of pupils at school, while Denmark and Iceland take the age of pupils into consideration.

- **Characteristics of the teaching staff**. In the Netherlands and Portugal, the seniority of teachers is a relevant factor in establishing the amount of the allocation for secondary education. The reason for this is that schools in these countries receive a sum of money primarily so that they can remunerate teachers. Taking account of seniority prevents schools with older teachers who earn higher salaries from getting into financial difficulty (1). In Portugal, this means that the money awarded to schools is geared to the expectations of their staff. This aspect is also taken into consideration in determining the number of teachers to which a school is entitled, because the weekly class workload that teachers have to complete diminishes with seniority. It should be noted that in the United Kingdom (except Scotland), schools themselves are responsible for managing their own staff budget. Originally under LMS, local authorities could choose to compensate only smaller schools (fewer than 330 pupils in England and Wales or, in Northern Ireland, 12 teachers or less) with higher than average staff costs. However, in England and Wales, new funding arrangements now allow local authorities greater discretion to respond to actual staff costs of all schools.
- **Features related to the school environment**. The climate of the area in which schools in Portugal are located is taken into account when allocating operational resources to schools offering the second and third stages of *ensino básico*. In Spain and France, staff resources for schools partly depend on whether they are situated in urban or rural areas.
- **The type of school** (for general, technical or vocational education) is taken into account in the Flemish Community of Belgium in order to determine the number of teachers, as well as in establishing the surface area requirements of school buildings.
- **Other variables** which include the scale and state of school installations, as well as the existence of sporting facilities, and factors such as contracts with cleaning firms, are taken into account in Portugal in the award of operational resources to schools offering the second and third stages of *ensino básico*, so that their real expenditure has a much closer bearing on the amount of the allocation. Similarly, some LEAs in the United Kingdom (England and Wales) take account of the size and general state of school installations, the existence of sports facilities and the type of fuel used, when they draw up the general budget for schools (which covers expenditure on their staff and for operational purposes).

C. PROCEDURES FOR DETERMINING AMOUNTS BY RESOURCE CATEGORY

The country categories identified under Chapter 3, point I.B and those relating to techniques for fixing the amount of resources (see Chapter 3, point I.A) do not firmly correspond to each other in any way. So, while the use of a mathematical formula or a conversion table implies reliance on at least one quantifiable indicator, it is readily consistent with the use of several indicators, including some which may be qualitative (2). Furthermore, the fact that an administrative authority is free to determine resource allocations as it wishes does not necessarily mean that no indicator will be employed to guide its decisions.

---

(1) The approach in this respect is changing in the Netherlands where the national average cost of staff is to be taken into account.

(2) Technically, these qualitative variables are simply converted into variables that are assigned the value 1 or 0, depending on whether or not the characteristic concerned is indeed discernible.

BEST COPY AVAILABLE

C.1. STAFF

Figure 3.3 combines the information from the two previous sections. It highlights the very wide range of different systems for deciding on numbers of teaching and non-teaching staff. At one extreme are systems which are relatively centralized in the way they establish the volume of resources, and which rely on simple mathematical formulas/conversion tables (the Communities in Belgium, the *Länder* in Germany, Greece, Ireland, the Netherlands, Austria and Portugal); at the other are countries which are either very decentralized or very small in size (Denmark, Finland and Sweden, as well as Luxembourg and Liechtenstein in the case of primary education), so that the authorities which allocate resources to schools capitalize on their geographical proximity when assessing school needs, rather than relying on mathematical estimates.

Furthermore, where a fairly centralized authority is empowered to decide on the number of teachers to which schools are entitled, it will usually be obliged to take a certain number of indicators into account.

FIGURE 3.3: ASSESSMENT TECHNIQUES AND INDICATORS USED IN DETERMINING REQUIRED NUMBERS OF (TEACHING AND NON-TEACHING) STAFF FOR EACH INDIVIDUAL SCHOOL, 1997/98

TECHNIQUE INDICATORS	MATHEMATICAL FORMULA OR CONVERSION TABLE	THE BREAKDOWN OF RESOURCES IS DECIDED FREELY BY THE RELEVANT AUTHORITY	THE TECHNIQUE VARIES DEPENDING ON THE AUTHORITY CONCERNED
ONLY BASIC INDICATORS	**B fr**, **EL** (p), **IRL** (p, VSS)		
BASIC AND SUPPLEMENTARY INDICATORS	**B nl**, **D** (teaching staff), **EL** (s), **NL**, **A** (teaching staff), **P**, **UK**, **IS**, **NO**	**E**, **F**, **IRL** (CCS), **I**, **L**	
BASIC INDICATORS AND PAST EXPERIENCE			
THE CHOICE OF INDICATOR LIES WITH THE AUTHORITY AND THERE IS NO GENERAL POLICY	**IRL** (VCC)	**LI** (s)	**DK**, **A** (non-teaching staff in primary schools, HS and PS), **FIN**, **S**, **LI** (p)

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: Subsidies from the *Länder* are fixed using a mathematical formula. Non-teaching staff are included in the category of operational goods and services.

Greece: The ministry may provide for exemptions from the rule in some cases involving special regional considerations, or for educational reasons.

Ireland: VSS = *voluntary secondary schools*; VCC = *vocational schools* and *community colleges*; CCS = *community* and *comprehensive schools*.

Italy: Allocations to schools are fixed freely by the authority concerned, although with due regard to national criteria.

United Kingdom (E/W/NI): Schools receive a budget from the local authority, based largely on a formula of age-weighted pupil numbers, to cover all categories of staff and operational resources.

Explanatory note

In some countries (see the diagrams in Section 3 of the General Introduction), certain categories of non-teaching staff benefit from a subsidy calculated in accordance with the same procedure as operational goods and services.

The basic indicators are the number of pupils and the number of classes.

C.2. OPERATIONAL GOODS AND SERVICES

Procedures for fixing the amount of resources for the acquisition of operational goods and services (see Figure 3.4) are as varied as those for the allocation of staff. However, the pattern of procedure in countries is not necessarily the same in both cases, mainly because decisions regarding the volume of resources for operational goods and services are sometimes decentralized. Countries of average size (Belgium, Ireland, the Netherlands, Austria and Portugal) rely on (generally succinct) mathematical formulas, whereas the other countries have either decentralized decision-making towards much smaller administrative entities, or are themselves much smaller.

FIGURE 3.4: ASSESSMENT TECHNIQUES AND INDICATORS USED IN DETERMINING THE VOLUME OF OPERATIONAL RESOURCES FOR EACH INDIVIDUAL SCHOOL, 1997/98

TECHNIQUE INDICATORS	MATHEMATICAL FORMULA OR CONVERSION TABLE	THE BREAKDOWN OF RESOURCES IS DECIDED FREELY BY THE RELEVANT AUTHORITY	THE TECHNIQUE VARIES DEPENDING ON THE AUTHORITY CONCERNED
ONLY BASIC INDICATORS	**B**, **IRL** (p, VSS), **NL** (p)		
BASIC AND SUPPLEMENTARY INDICATORS	**NL** (secondary), **A** (AHS), **P** (2nd and 3rd stages), **UK (E/W/NI)**	**IRL** (CCS), **L**, **LI** (s)	**I**, **IS**, **LI** (p)
BASIC INDICATORS AND PAST EXPERIENCE	**UK (SC)**		
THE CHOICE OF INDICATOR LIES WITH THE AUTHORITY AND THERE IS NO GENERAL POLICY		**E** (s), **IRL** (VCC)	**DK**, **D**, **EL**, **E** (p), **F**, **A** (p, HS, PS), **P** (1st stage), **FIN**, **S**, **NO**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: Non-teaching staff are included in the category of operational goods and services.
Ireland: VSS = *voluntary secondary schools*; VCC = *vocational schools* and *community colleges*; CCS = *community* and *comprehensive schools*.
Austria: The acquisition of certain supplies lasting less than a year is included under the heading 'capital'.
United Kingdom (E/W/NI): Schools receive a budget from the local authority, based largely on a formula of age-weighted pupil numbers, to cover all categories of staff and operational resources.

Explanatory note

The basic indicators are the number of pupils and the number of classes.

C.3. CAPITAL

It is not possible to 'save up' the resources corresponding to staff and operational goods and services. At the end of the year, schools generally have none left whatever (1). 'Perishable' resources of this kind, which are used up in the course of the year, by their very nature have to be regularly replenished. All schools can be regarded as equivalent in this respect. At the start of a given period, they possess no 'reserves' in terms of these resources.

Capital is different in so far as the resources actually used by schools constitute movable or immovable assets, the value of which decreases annually in relation to their depreciation as they grow older and rises in accordance with any new investment in them. As schools are not in the same situation as far as the state of their fixed assets (immovables) is concerned at the start of the year, it is impossible to establish any general rule without taking the state of those assets into account.

More specifically, equality of treatment for all pupils in a country implies that they all attend schools with comparable standards in terms of comfort and convenience, security, hygiene and other facilities. Indeed, because assets at the start of the year vary from one school to the next, a situation in which every school received the same annual allocation, or an annual allocation calculated in accordance with the same criteria, would result in inequalities.

Many countries have developed a capital investment policy based on a case-by-case examination of individual circumstances, with a view to ensuring that the quality of the school environment is broadly the same for all pupils. Figure 3.5 shows clearly that decisions relating to capital investment are at the discretion of the competent authority much more frequently than in the case of other kinds of resources. It is in relation to this category of resources that much is unquestionably gained from the administrative authority and the school concerned being in close proximity. Chapter 2 has highlighted the relative decentralization of decision-making where capital investment is concerned.

---

(1) In the Netherlands, primary schools are authorized to carry over a maximum of 10% of the *formatierekeneenheden* (FRE) from one year to the next. In the United Kingdom (England, Wales and Northern Ireland), schools operating in accordance with LMS regulations may carry over funds into the next financial year. The local authorities in Scotland authorize schools to carry over, from one year to the next, between 10% and 15% of their running operational budget. Such examples, which rank as exceptions, illustrate the limited scope for indirectly amassing what is a volatile kind of resource.

A political alternative involves awarding all schools the same allocation (whether a per capita payment or one linked to some other specified indicator) which they may then manage as they please in order (for example) to carry out small-scale building or repairs, repay loans contracted for major works, or cover insurance premiums. Under such circumstances, each school head is responsible for carrying out the most appropriate initiatives. Current differences in the immovable assets of schools are gradually corrected through special compensatory allocations. In schools subject to LMS regulations in the United Kingdom (England, Wales and Northern Ireland), this system has been used for maintenance and repairs and, in England since April 2000, for minor building and structural maintenance works.

FIGURE 3.5: ASSESSMENT TECHNIQUES AND INDICATORS USED IN DETERMINING THE VOLUME OF CAPITAL RESOURCES FOR EACH INDIVIDUAL SCHOOL, 1997/98.

TECHNIQUE INDICATORS	MATHEMATICAL FORMULA OR CONVERSION TABLE	THE BREAKDOWN OF RESOURCES IS DECIDED FREELY BY THE RELEVANT AUTHORITY	THE TECHNIQUE VARIES DEPENDING ON THE AUTHORITY CONCERNED
BASIC AND/OR SUPPLEMENTARY INDICATORS .			
SURFACE AREA NORMS AND OTHER INDICATORS	**B fr**		**B nl**, **D**, **IS**
THE CHOICE OF INDICATOR LIES WITH THE AUTHORITY AND THERE IS NO GENERAL POLICY		**E** (s), **IRL**, **L**, **A** (AHS), **LI** (s)	**DK**, **EL**, **E** (p), **F**, **I**, **NL**, **A** (p, HS, PS), **P**, **FIN**, **S**, **UK**, **LI** (p), **NO**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: The amounts of grants received from each *Land* are fixed in accordance with the surface area and type of school.
Austria: The acquisition of certain supplies lasting less than a year is included under the heading 'capital'.

Explanatory note

The basic indicators are the number of pupils and the number of classes.

D. METHODS OF DETERMINING THE AMOUNT OF SCHOOL RESOURCES COUNTRY BY COUNTRY

In the French Community of Belgium, the number of teachers to which a school is entitled is established using a conversion table based on the number of pupils. The number of pupils is also employed to calculate operational expenditure, but by means of a simple mathematical formula. Capital funding, too, is undertaken in accordance with strict regulations, as authorized surface area requirements dependent on the number of pupils result in allocations which, in the case of schools administered by the provinces and municipalities, are related to norms expressed in costs per square metre. In the Flemish Community of Belgium, the number of teachers is determined using a mathematical formula which is based on the number of pupils but also takes into account the subject which the former have been employed to teach. The same applies to operational expenditure, whereas capital resources depend on a comparison between existing buildings and a theoretical total surface area, which is calculated in accordance with the type of education provided and the number of pupils.

In Denmark, municipalities finance schools and freely determine the rules for calculating the number of teachers allocated. In practice, however, two general models appear to predominate, namely per capita funding and funding by class.

Because the financing of education in Germany is the general responsibility of the *Länder*, the way it is carried out varies from one *Land* to the next. The number of teachers is usually related to the number of pupils, either directly or via the intermediate factor of the number of classes. In some cases, additional indicators may refine the way the number of teachers is calculated. With regard to non-teaching staff and the acquisition of operational goods and services, responsibility for deciding the amount of resources awarded to schools lies with the *Schulträger* which are too numerous for any general trend to be identified. As to capital expenditure, however, for which the amount of resources for individual schools is also determined by the *Schulträger*, it would seem that most schools receive an allocation calculated with respect to their area.

In Greece, the teaching staff allocation to primary schools is determined in accordance with their real needs as taken into account by the Ministry of Education. The latter are estimated with respect to the number of pupils using a conversion system (25 pupils for each teacher in small schools, and 30 in bigger ones). The Ministry grants exceptions on a case-by-case basis. The number of teachers in lower secondary schools is calculated in accordance with their enrolments and the number of hours provided for in the curriculum. In the case of other kinds of expenditure, the intermediate authorities take real needs into consideration in accordance with a procedure they themselves determine.

In Spain, the Communities which exercise their full powers have established their own regulations for determining the amounts of resources awarded to schools. In the other Autonomous Communities, the Ministry of Education and Culture has set up decentralized bodies, the *Direcciones provinciales de educación*, which benefit from some measure of autonomy (see Chapter 2). In general, the number of teachers to which schools are entitled is most frequently determined by the number of pupils, the level of education, the number of classes and whether the school concerned is situated in an urban or rural area. No generally applicable regulation appears to exist in the case of either operational goods and services, or capital.

Indicators are used in France to guide the decisions of the various bodies which, in turn, distribute the resources mobilized by the national government. These indicators include trends in the number of pupils, social difficulties they may experience and possible inconveniences arising from the rural location of schools. In lower secondary education, the number of hours of lessons required is calculated in accordance with a simple theoretical model, while qualitative needs are assessed using a summary indicator which simultaneously takes account of socio-cultural criteria and the level of school achievement. However, the authorities that allocate resources may, in the last resort, decide how much importance should be attached to such indicators. Resources made available to *collèges* for the acquisition of their operational goods and services are calculated in accordance with a strict rule whose terms may vary, since it is drawn up by each *département* individually.

In Ireland, the number of teachers assigned to each primary school depends on the number of annual enrolments. A formula proportional to the number of pupils is also employed to determine resources for the acquisition of operational goods and services, whereas the scale of capital investment tends to depend more on a 'case-by-case' approach for each individual school. Resource transfers to the *community* and *comprehensive schools* are handled in the same kind of way, although indicators other than just the number of pupils are incorporated into the formulas for deciding the number of teachers and the resources for acquiring operational goods and services. The *voluntary secondary schools* are entitled to a teaching staff quota, and to operational expenditure on a per capita basis. Resources awarded to *vocational schools* and *community colleges* vary with the VEC concerned, and so are not subject to any single common regulation.

The number of teaching staff in primary schools in Italy is calculated very precisely by means of several indicators, including the number of pupils, the number of classes, the presence of handicapped pupils and socio-economic conditions in the area of the school. Non-teaching staff strength is similarly determined on the basis of objective criteria. The amounts awarded to cover operational and capital expenditure are also firmly fixed using formulas which take a broad range of indicators into account. Calculation of the number of lower secondary school teachers additionally relies on a relatively complex formula incorporating numerous indicators, while operational goods and services and capital are funded with reference to the same indicators as those used for primary education.

In Luxembourg, there is no firm rule for fixing the amounts of resources, which are awarded at the discretion of the public authorities and based, among other things, on the number of pupils and the corresponding allocations for the previous year.

In the Netherlands, establishing staffing levels for primary schools is the result of a relatively complex mathematical operation which, although based mainly on the number of pupils, also incorporates additional indicators such as the level of education of parents, and children whose cultural background is not Dutch. Resources for operational expenditure by these schools are also established with respect to the number of pupils. Secondary schools receive a global allocation intended to finance both teaching staff and operational expenditure (see Chapter 2). This allocation is calculated using a mathematical formula, with reference to the number of pupils and the type of school. The award of both primary and secondary school capital resources is the responsibility of individual municipalities so that there is no single regulation conditioning their amount.

Each *Land* in Austria is responsible for fixing the teaching staff strength of primary schools. However, a formula is generally employed to convert the number of pupils and classes, as well as the subjects actually taught, into a number of units per hour of teaching. As teaching in some subjects is considered to require a greater amount of time away from the classroom (for the purposes of preparation and correction), a special coefficient is used to calculate the number of teachers allocated to each school. The *Hauptschulen* also rely on a similar basic formula further refined by means of additional indicators, such as teaching experience, big classes or the presence of pupils who do not speak German. The number of non-teaching staff in primary schools, the *Hauptschulen* and the *Polytechnische Schulen* depends on the size of the establishment concerned, whereas resources made available to schools to cover operational expenditure and capital investment depend on rules drawn up by each individual municipality. The teaching staff strength of secondary schools (the *allgemeinbildende höhere Schulen*) is related to the number of pupils and classes, while the resources transferred to them for operational and capital expenditure are calculated in accordance with different indicators (mainly the number of classes and pupils).

In Portugal, the number of teachers in schools providing the first stage of *ensino básico* is derived from a calculation involving many indicators, including the number of pupils that attend it. The corresponding calculation for schools offering the second and third stages is relatively sequential: the number of pupils and the kind of lessons determine the number of hours of teaching required; the seniority of individual teachers regulates the number of hours they may undertake and, as a result, the number of teachers needed to handle the foregoing workload; finally, the teacher allocations for each school provide a basis for the total amount of cash resources transferred to it. A relatively large number of indicators are also used to determine the volume of resources earmarked for operational expenditure, particularly in secondary schools providing the second and third stages of *ensino básico*, and they tend to take account of real costs. Meanwhile, school capital resources are the responsibility of the municipalities (in the case of schools offering the first stage) and the *Direcções regionais de educação* (the second and third stages), and there is no common regulation for calculating the amounts.

All decisions for determining the volume of resources earmarked for schools in Finland and Sweden are taken by the municipalities, so they are not governed by a common regulation. However, there is a procedure to prevent the undesirable effect decentralization might have on the same fair deal for pupils from different municipalities. As a result of mechanisms for adjusting municipal allocations, potential differences in the schooling of pupils across the entire country can be reduced.

While the overall budget for LEA-*maintained schools* in the United Kingdom (England and Wales) varies between different LEAs, the volume of staff and operational resources awarded to individual schools is governed by certain common principles, one of which is that at least 80% of the LEA's *Aggregated Schools Budget* (in Wales at least 75% since April 1999) must be allocated on the basis of age-weighted pupil numbers. Other factors which may be taken into account are actual salary costs (originally only in schools with fewer than 330 pupils), delivering the curriculum in small schools, additional needs (special educational needs and the requirements of socially deprived pupils, etc.), and the cost of premises. *Grant-maintained schools* (abolished in 1998) were funded by the *Funding Agency for Schools* (FAS) along similar lines in England and by the Welsh Office in Wales. Capital expenditure is not allocated to schools on the basis of a formula, but is determined by the competent authority in a way that is consistent, above all, with the provision of a sufficient number of school places and the need to undertake urgent repairs. School funding arrangements are similar in Northern Ireland.

The amount of resources allocated in Scotland is chiefly based on the number of pupils, class size regulations and the need to deliver an adequate curriculum, especially in small secondary schools, but may vary depending on the local authority concerned. Real expenditure in the previous year is also taken into account.

In Iceland, relatively complex mathematical formulas govern the level of staff resources to which schools are entitled. They take account of a high number of indicators, although the number of pupils and their age are the most prominent. As far as operational and capital resources are concerned, the situation varies from one municipality to the next. However, municipalities generally take a large number of indicators into account, while also complying with legislative regulations in this area.

Liechtenstein has no legal criteria for the award of resources to schools. They are allocated pragmatically in the light of past experience.

In Norway, the number of teachers is based on the number of classes, which is based on the number of pupils (and, additionally, the number of pupils with a native language other than Norwegian). Resources for operational and capital expenditure are the responsibility of each individual municipality.

E. TRANSPARENCY OR PROXIMITY

A system in which the satisfaction of school needs and the assignment of teaching staff are subject to strict regulations unquestionably has the advantage of ensuring that all processes are transparent, and that all schools will be treated as fairly as possible. Its disadvantage is that it fails to reflect the differing requirements of schools.

As the previous sections have demonstrated, the relevant authorities in several countries are almost entirely free to distribute resources to schools as they wish. These authorities usually have only a limited number of schools under their jurisdiction, so they can attempt to secure maximum benefit from the relative geographical proximity of schools and the centres that take decisions about the volume of resources awarded to them. In doing so, the authorities can maintain regular ongoing relations with the management of their schools, and have a fairly clear idea of their needs without having to resort to a substantial range of indicators. Clearly, this is only possible in small countries, or those in which the responsibilities under discussion have been largely decentralized.

Furthermore, as a result, schools in a single country may be treated differently because they are subject to the oversight of different administrative entities. Two models may be postulated as follows:

- the central (or top-level) public authorities for education transfer resources to the decentralized entities so that they can finance their schools. Under these circumstances, the former have to establish a distribution mechanism, and draw up objective criteria for this purpose. In this case, the number of pupils may appear to be one such possible criterion.
- the decentralized entities take on the funding of schools using locally acquired tax revenue. Where this occurs, the fiscal autonomy of these entities may pose a general problem of fairness throughout the country. Transfers between them and/or special regulations may be possible in order to alleviate this.

It should be noted that the foregoing decentralized entities may be responsible for sectors other than education, so that indicators which have nothing to do with education may have a bearing on the calculation of their allocation – for example, the total length of the road network. This applies to all resources in the Nordic countries. It is also true of France in the case of global allocations awarded to *départements* and municipalities. In so far as local authorities are entirely free to divide all their resources between education and the other services provided by them, the existence of a mechanism for greater fairness which took account of their financial standing would not necessarily mean that schools under the jurisdiction of different authorities would benefit from the same consideration. This question of fairness is analysed more closely in the following section of the present chapter devoted to the historical and contextual analysis.

II. HISTORICAL AND CONTEXTUAL ANALYSIS

There exist essentially two main kinds of reform affecting the way the scale of resources awarded to schools by the public authorities is determined:

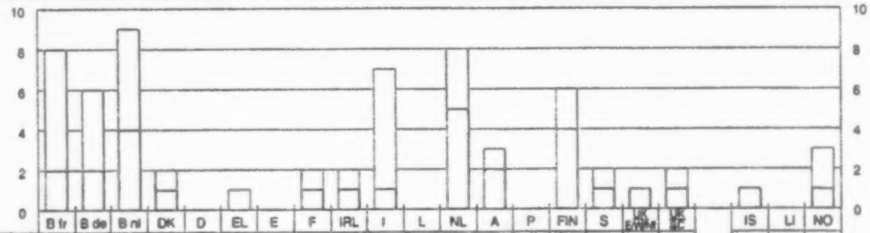
- the first retains the basic mechanism by which the amounts of resources are fixed, along with the indicators employed to evaluate school needs, but alters the coefficients with which they are associated or the values given in conversion tables, with the result that they have a direct impact on the volume of resources;
- the second kind of reform changes the actual procedure for determining the volume of resources, and may be sub-divided into two further categories. Some reforms entail no alteration in the basic calculation technique, but change the indicators used for establishing school needs. Cases in point are the move from a mathematical formula involving several indicators to a formula based exclusively on the number of pupils, or incorporation of an indicator into calculation of the grant, which takes account of the social attributes of the school population. Other more extensive reforms overhaul the entire system for establishing the volume of one or more categories of resources, and therefore the technique per se. This may result from a change in the authority responsible for the decisions involved (such as may follow the decentralization of decision-making), but may also be no more than the outcome of a radical alteration to the mechanism for evaluating needs.

Both these kinds of reform are analysed below in Chapter 3, points II.A and II.B respectively.

Decisions to award additional funding via transfers alongside general allocations may also be regarded as reforms. In so far as they relate to extra resources for schools with special target groups of pupils, this issue is addressed up to a point by Chapter 4. It is not discussed in the present chapter which is concerned only with general transfers of resources in staff, operational goods and services, and capital.

While the foregoing reforms (all categories) have been relatively numerous in the last 30 years, they have not occurred with the same regularity in all countries. In some countries, arrangements for determining the volume of resources awarded to schools have been very stable – or at least subject to no more than very minor reform – whereas others have witnessed an impressive series of reforms in this area. Figure 3.6 shows the number of reforms in the two main categories, country by country.

FIGURE 3.6: NUMBER OF REFORMS BY COUNTRY, DISTINGUISHING BETWEEN REFORMS CONCERNED WITH THE BASIC METHOD FOR DETERMINING THE VOLUME OF RESOURCES AND THOSE RELATING TO THE COEFFICIENTS OR VALUES WITH A DIRECT BEARING ON THEIR VOLUME, 1970-1998



	B fr	B de	B nl	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK E/W/NI	UK SC		IS	LI	NO
☐ Change in coefficients or values	6	4	5	1	0	1	0	1	1	6	0	3	1	0	2	1	0	1		0	(:)	2
☐ Change in technique or indicators	2	2	4	1	0	0	0	1	1	1	0	5	2	0	4	1	1	1		1	(:)	1

Source: Eurydice.

Four countries stand out in terms of the number of reforms in this area considered overall, namely Belgium, Italy, the Netherlands and Finland. In five others (Germany, Spain, Luxembourg, Portugal and Liechtenstein), no reform whatever of this kind has occurred. In general, there is a reasonable balance between reforms seeking to change the very method by which the amount of resources is determined, and those which simply change the value of factors with a direct bearing on their calculation. It should also be noted that most countries have experienced either both kinds of reform, or no reform at all.

A. REFORMS ALTERING THE METHOD FOR DETERMINING THE AMOUNTS OF RESOURCES

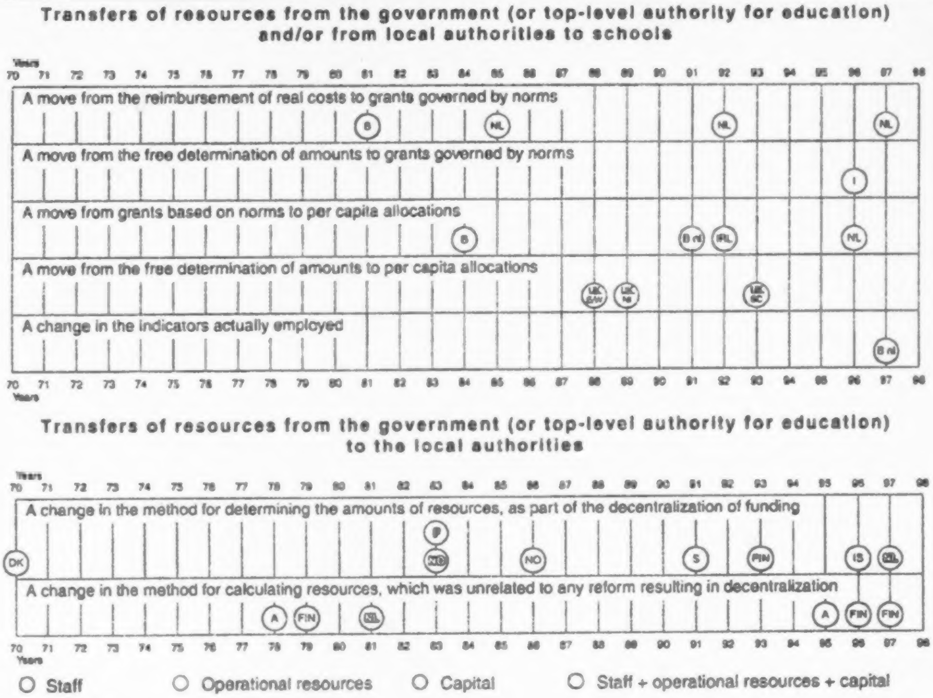
As shown in Figure 3.7, reforms with a bearing on the basic method used to determine the volume of resources awarded to schools may be of two kinds. They may either correspond to a change in the particular indicators employed within the same basic method for establishing the amounts concerned (for example, a reform which retains the principle of a mathematical formula, but alters the considerations on which it is based) or, alternatively, substitute one basic method for another (as when free determination of amounts by a public authority is replaced by an objective mathematical formula).

The scale of these reforms varies. Some of them amount to a blanket overhaul of the system, while others affect only certain very specific resource categories.

A.1. HISTORICAL ANALYSIS

Figure 3.7 sets out the dates at which the main reforms occurred in the various European Union and EFTA/EEA countries, as well as the main thrust of reform in each case.

FIGURE 3.7: DATES OF THE MAIN REFORMS ALTERING THE BASIC TECHNIQUE BY WHICH THE AMOUNTS OF RESOURCES WERE FIXED, 1970-1998



Transfers of resources from the government (or top-level authority for education) and/or from local authorities to schools

Transfers of resources from the government (or top-level authority for education) to the local authorities

Source: Eurydice.

Reforms in methods for determining the allocation that central governments (or top-level authorities for education) award municipalities have been more evenly spread over the period under consideration. Some of them have focused solely on the method of calculation (as in Austria, the Netherlands and Finland); others have been more closely associated with measures to decentralize responsibilities (the Nordic countries and the Netherlands).

A.2. CONTEXTUAL ANALYSIS OF THE REFORMS

There are three distinct – though not mutually exclusive – patterns of development, in which certain common features warrant an analysis by category:

- scenario 1: reforms are justified primarily by the need to achieve budgetary savings and/or by the desire to improve the effectiveness of public services, to which the authorities respond by adopting arrangements inspired by market principles. All such reforms involve a transfer of resources to schools themselves. This kind of development has been witnessed in Belgium, Ireland, Italy, the Netherlands and the United Kingdom.
- scenario 2: reforms affect the way decisions about the overall scale of resources are decentralized, while ensuring that the public authorities retain significant control over education. All reforms of this kind involve resource transfers to local authorities. This pattern has been characteristic of Denmark, France (lower secondary education), the Netherlands, Austria, Finland, Sweden, Iceland and Norway.
- scenario 3: little apparent change at national level may tend to mask reforms within decentralized structures. A case in point might be that of a country in which decisions about the volume of school capital resources are decided by local players who are entirely autonomous in establishing their own rules for fixing the amounts awarded. All reforms referred to in this category have been undertaken by local authorities in this way. Such has been the pattern in Germany, Greece, Spain, France (primary education), Luxembourg, Portugal, Iceland and Liechtenstein.

A.2.1. Procedures for transferring resources to schools

In general, during the first 60 years or so of the 20th century, systems of primary and lower secondary education underwent strong growth as they were generally extended to the vast majority of children. In particular, compulsory education obliged political authorities to ensure there was a marked increase in educational provision. While the effort this required was not forthcoming at the same time or applicable to the same levels of education in all countries, the result of the importance attached, during the 1960s, to education as a factor in economic growth was that all countries which had still not developed lower secondary education now made this level of schooling a national priority and mobilized substantial resources in order to do so.

The volume of resources earmarked for education thus grew considerably, although no theory can offer a working method for establishing an ideal amount for all such resources considered as a whole. An implicit benchmark for the level of expenditure in this area has generally been reached with reference to the situation in other countries. The firm belief that any investment in education would always be ultimately worthwhile ensured the steady growth of expenditure on it. The period of economic development which occurred alongside this trend was therefore conducive to an increase in the resources set aside for education, without any obvious pressure to consider the best way of providing for either their distribution to schools or determination of their amounts.

Some years after the oil crises, when political authorities became obliged to watch their expenditure more closely, education systems were often called into question in conjunction with other issues that arose from national circumstances. The gradual replacement of the Welfare State concept by free market principles as the ideal basis for the organization of society also had major repercussions on some national policies for the award of resources to schools. While one result was undoubtedly the trend towards decentralization in some countries (see Chapter 2), methods for determining the volume of resources were also affected, either as a logical consequence of such decentralization, or independently of it.

Certainly, the principles of a market economy dictate that firms secure revenue in direct proportion to the number of units they sell or services they provide. It is thus an ever-present concern for them and an essential condition for their survival that they should work constantly to ensure their reputation. Viewed in this way, decentralizing the management of schools is bound to lead eventually to methods of funding which similarly place them under a permanent obligation to achieve efficiency and sound quality. The logical conclusion of such reasoning is per capita funding in which the volume of resources allocated is proportional to the number of pupils.

Reforms concerned with determining the volume of resources awarded to schools have mainly been the outcome, though to a variable extent, of economic recession, budgetary restrictions by the public authorities, the emergence of the free market political philosophy and the decentralization of responsibilities for education which, moreover, can be set out in that order to represent a fairly logical sequence of cause and effect.

This set of reasons underlies the reforms that led to new methods of determining the volume of resources awarded to schools in Italy, the Netherlands and the United Kingdom. The importance attached to a particular explanation depends on the country concerned.

In Italy, the end of the 1980s and the 1990s were noteworthy for several initiatives aimed at decreasing the cost of education. For example, in 1995, school staff became subject to the new blueprint for negotiated public employment, a model introduced in the administrative sector in 1993. Contracts were now to be individually established and based on norms applicable to the private sector. A new system of remuneration was introduced, with a basic salary and additional payments related to productivity targets and criteria for monitoring performance. However, it was in 1996 that the way of fixing the number of teachers was extensively reformed. Within the limit imposed by a staff total fixed for each province, the staffing level for primary schools was to be based on factors such as their pupil enrolments and their size.

In the Netherlands, the municipalities had the task of making resources available to acquire operational goods and services and then sought reimbursement by the government. Back in 1974, a working committee highlighted two perverse effects of this system. First, municipalities were sometimes expected to put forward considerable sums of money thus locking up resources that could not be used for other purposes. Secondly, no limits were placed on school expenditure so that the system proved a heavy burden on public finances. The working committee recommended a system of allocations based on highly specific criteria to replace the arrangements for reimbursement. Yet it was not until 1985 that the *Wet op het Basis Onderwijs* (WBO, or law on primary and pre-school education) was passed to initiate the *Londo* system. Under these arrangements, schools have received an allocation calculated in accordance with certain norms to cover their operational expenditure.

The beginning of the 1990s witnessed a downturn in economic growth. Against a background of budgetary restrictions, a struggle to end bureaucracy, and the onset of greater school autonomy in an approach inspired by market mechanisms, the authorities in 1992 adopted the *Formatiebudgetsysteem* – FBS – comprising a new method of funding the budget for staff. Primary and secondary schools were now to receive this in the form of units of account based on norms and legal criteria corresponding to a particular number of full-time equivalent posts. The cost of redundancies and replacements due to illness was included in the budget, so that schools assumed a share of the financial risk entailed. However, the risk has been covered by the possible intervention of three funds to which schools make regular contributions (the Replacement Fund, for when staff are sick, the Participation Fund for the costs associated with justified dismissals and the Emergency Fund).

In 1995, a memorandum entitled 'local education policy' called for a strengthening of municipal responsibilities to combat educational disadvantages and to reinforce the cooperation between school and other social institutions. In 1996, the 'lump sum funding' system combining the previously separate budgets for staff and operational expenditure was applied to secondary schools in accordance with criteria such as the number of pupils. However, primary schools remained exempt from the system because, given that they were generally smaller, it was unlikely that they would be able to deal satisfactorily with staff management problems. In order to solve this problem of smaller size reflected in higher costs per pupil, the authorities decided to encourage the clustering of primary schools. In 1997, additional assistance renewable over a four-year period was awarded to new establishments created by grouping together ten former schools, as well as to schools with over 2 000 pupils or at least 80 teachers.

The United Kingdom (England, Wales and Northern Ireland) also witnessed reforms inspired by a vision of education influenced by competitive market structures. This system has been regarded as the one most likely to result in a fair distribution of resources among schools, with due regard for objectively measured needs, while stimulating them to sustain the quality of their provision. In contrast to Belgium and the Netherlands, the authorities in the United Kingdom (except in Scotland) directly adopted a system of block grants to schools for staff and operational activities. Under the Education

Reform Act 1988 (England and Wales) and the Education Reform (Northern Ireland) Order 1989, local authorities were required to introduce schemes for LMS. Under LMS, the major share of the *Aggregated Schools Budget* (ASB) was allocated by the authorities on the basis of age-weighted pupil numbers. The schemes also required that the decision-making for spending should be delegated to school level. These reforms were implemented initially in England and then, with some modifications, were introduced in Wales and Northern Ireland.

It should be noted that these major reforms were subsequently subject to amendment. From 1993, LEAs in England and Wales were required to delegate 85% of the *Potential Schools Budget* and it was envisaged that the percentage should rise to 90% in 1995/96, although this provision was never actually implemented. Originally under LMS, LEAs could only adjust the budgets of small schools to compensate for higher-than-average staff costs. However, later, they were allowed to adjust the budget of any school as appropriate. The share of the ASB distributed on the basis of age-weighted pupil numbers was increased from 75% to 80% in 1993.

In 1993, the 6/93 Circular in Scotland specified that the financial resources made available to school heads from then on had to depend on the number of pupils and expenditure in the preceding years. This reform completed the delegation of responsibilities which, since the beginning of the 1980s, transferred certain prerogatives to schools, and sought to improve the effectiveness of education. Nevertheless, local authorities have retained considerable control over schools which, in this particular case, has reduced the influence exerted by liberal political philosophy.

This same influence has also been very weak in the case of reforms undertaken in Belgium, which have been primarily attributable to the very high cost of education, and to the need for the public authorities to achieve considerable budgetary savings. In 1981 and 1982, Belgium passed laws specifying 'norms' for determining the amounts of resource allocations for staff in primary and secondary schools. A norm was the minimum number of pupils that had to be enrolled for schools, sections or study options to be created, maintained, or divided into two or, conversely, the number below which they might be merged or closed. Each section, study option and school was allocated a number of teacher periods, or a given number of hours of teaching. The total number of hours of teaching paid for at a school by the public authorities was therefore related to the total number of pupils and the way they were enrolled across the various options. The administrative bodies or authorities responsible for schools thus recruited their staff in the light of these considerations.

This reform was the first in a series of other measures aimed at severely limiting national (and then Community-level) expenditure on education which was hotly contested at a time of enormous public debt and drastic budgetary restrictions. The cost of education per pupil had indeed grown very significantly, especially as a result of the wholesale reform of the education system (with its very generous teacher/pupil ratios), but also in the wake of a decrease in school enrolments for demographic reasons.

In 1984, education was affected by a second raft of measures to stabilize the budget. The system of norms was scrapped to be replaced by a new so-called *capital-période* or 'teaching hour package' method based on a fixed number of teaching hours allocated to schools in accordance with the number of pupils enrolled. This number was meant to rule out the diversification of options underlying the runaway increase in costs in secondary education. Schools could use their allocation as they wished after consulting their teaching staff.

The Communities, which became the top-level authorities for education from the 1988/89 school year onwards, retained this system as introduced.

Nevertheless, the Flemish Community approached the task of reform more vigorously. Its Decree of 1 April 1991 established so-called *Lokale Raad voor het Gemeenschapsonderwijs* (LORGO, or local school boards) in the Community school sector. They were responsible in particular for temporary employment, local financial and practical management and educational policy. These measures could be regarded as indicative of greater school autonomy (see Chapter 2) and as reflecting the need to limit public spending on education (in the light of the Maastricht convergence criteria, the demographic downturn and a teacher/pupil ratio higher than the European average).

In 1997, a new reform altered the relation between the number of pupils and the number of hours of teaching corresponding to it in primary education. Formerly based on a sliding scale, this relation now became linear thus helping larger schools to cope with their structurally weaker marginal costs. A similar measure introduced some years previously in the Netherlands (see above) was intended to rationalize the financial management of primary education.

Reforms occurred for different reasons in Ireland. Several not very extensive reforms were motivated by the principle of transparency in the funding of grant-aided private education. The first of them, at the start of the 1990s, occurred at a time of relative prosperity. It instituted support schemes for disadvantaged primary and/or secondary schools (see Chapter 4). The volume of these additional resources was calculated on a per capita basis.

In 1992, resources for caretakers and administrative assistance in primary education, along with administrative assistance in the *voluntary secondary schools*, also became subject to a per capita calculation. In 1997, anomalies inherent in the financing of school site facilities gave rise to the establishment of a new method of calculation for small-scale work to buildings in primary education. While one component remained fixed, another depended directly on the number of pupils.

A.2.2. Procedures for transferring resources to the municipalities

A certain number of reforms, mainly relevant to the Nordic countries but also to France and the Netherlands, have concerned the way resources are transferred from central government to the municipalities. Such reforms are naturally of special importance in relation to decentralization of the funding of schools (see Chapter 2, point III.A). Other reforms have altered the system for calculating allocations transferred from government to the municipalities without any concomitant transfer of responsibilities.

Reforms linked to decentralization

In Denmark in the 1970s, Finland in 1993, Sweden in 1991, Iceland in 1996 and Norway in 1986, decentralization of decisions relating to the award of resources to schools went logically hand in hand with changes in the method of calculating the allocation transferred by government to the municipalities, in such a way that greater significance was attached to variables reflecting the scale of educational activity. A similar reform also occurred in the Netherlands in 1997, when the funding of capital resources was decentralized.

In Denmark, the system still operative at the beginning of the 1970s enabled municipalities to spend as much as they wanted, since they were fully reimbursed by the government. This created both wastage and a problem of principle in a country which sought to introduce greater responsibility into decision-making by its local authorities. From 1970 to 1975, a reform of tasks and expenditure in the field of education abolished the former system and replaced it with arrangements for a block grant from the government to the municipalities, which was calculated with reference to objective criteria.

In France, the 1983 and 1985 laws on decentralization state that the municipality is responsible for primary schools, the *département* for *collèges* (and the region for *lycées*). The duties concerned relate to building, rebuilding, extensions, major repairs, basic facilities and equipment, and operations (see Chapter 2).

The 1997 reform in the Netherlands which decentralized the administration of buildings from the government to the municipalities was part of a broader effort to ensure that the provision of education complied more closely with free market principles (see Chapter 2). The allocation to municipalities was calculated with due regard for this concern.

In Finland, the initial outline of the 1993 reform dated back to the mid-1980s. In 1987, the top priority of the new government was to reform all sectors of the administration in a way that involved both privatization and decentralization. At the end of the 1980s, economic growth led the municipalities to demand greater autonomy. A scheme for reforming the way financial support was awarded to the areas of health, education and social security was drawn up, discussed and tested. In 1993, Finland decided to transfer further educational responsibilities to the municipalities, and to move from funding based on real costs and the economic situation of each municipality to a per capita formula system for calculating the general allocation each received, in which the average amount per student was fixed annually by the government.

Moves to deregulate education in Sweden date from a 1988 draft law and were fuelled by pressure from civil society for tighter control of public expenditure and, to a lesser extent, by the worsening economic climate. The upshot of this process was the 1991 reform, which radically transformed the way in which responsibility for education was shared between the government and the municipalities. Changes in the method of calculating the government allocation to the municipalities were a further logical consequence of this development.

In Norway, circumstances prior to the 1986 reform reflected a highly centralized system of control involving very precise predetermined budgetary allocations. These arrangements failed to meet expectations because of the difficulties of calculation to which they gave rise. They also lacked transparency and had the perverse effect of encouraging local authorities to overspend knowing that in the last resort the government would cover the costs of doing so. To overcome the problem, the authorities introduced a municipal income system involving transfer by the government of a block grant to local authorities which was based on objective, quantifiable and transparent criteria. This allocation topped up the resources obtained by the municipalities from their own local tax revenue. While this reform affected the transfer of resources from the government to the municipalities, it did not necessarily alter the amounts of resources awarded to schools themselves.

Reforms independent of measures to decentralize

Three countries (the Netherlands, Austria and Finland) embarked on reforms of the method of calculating the volume of resources transferred by the central/federal government to the local authorities, which were not directly related to any transfer of responsibilities. In all three cases, the aim was to end reimbursement by these governments of expenditure over which they had no control, and to replace such potentially costly arrangements with arrangements enabling them to forecast their expenditure more effectively.

Before 1981 in the Netherlands, capital resources were awarded to schools on the basis of applications they submitted to the municipal authorities. The capital and interest payments of each municipality were then reimbursed. This procedure applied to both renovation and the construction of new buildings. Where a new school was established (assuming a minimum number of pupils were waiting to attend it), capital support could also be requested from the municipality. As a result, municipal housing policies had a direct impact on total government expenditure on school capital. New housing estates built during the 1970s boosted the demand for new school building although the number of pupils actually diminished in the same period. The government accordingly demanded oversight of the budget concerned and, to this end, ruled that schools had to have formal approval from the Minister before embarking on any kind of new building, extensions or renovation. Primary schools had to submit schemes to their municipalities, which forwarded all large-scale projects to the Ministry of Education for classification and funding within the limits of its budget. The system of funding capital resources was again reformed in 1997 (see Chapter 2, point III.A.2.1).

In Austria at the beginning of the 1970s, the mechanisms for reimbursing the remuneration of teaching staff in compulsory education (the primary schools, *Hauptschulen* and *Polytechnische Schulen*) were not very firmly defined. The federal government simply reimbursed expenses committed by the provinces. It was assumed that the bodies involved at every level (whether federal, provincial or municipal) had the best interests of the public at heart and thus acted responsibly. In the middle of the 1970s, the demographic downturn, together with the increase in the number of qualified teachers, led to a considerable increase in costs per pupil and called for adjustments. At the end of the 1970s, therefore, an agreement was signed between the federal and provincial authorities regarding a new method of funding schools, which took account of the number of schools, the number of classes and certain special forms of compensation. Since the mid-1990s, calculation of teacher costs has become much more precise. The exact number of teaching hours for all classes is calculated for each school and the government then transfers to the *Länder* the resources for teaching staff to which this total corresponds.

Three reforms of the method for calculating government allocations to the municipalities occurred in Finland in 1979, 1996 and 1997. All three were introduced independently of any transfer of responsibilities.

A grants system in which municipalities were grouped into categories (in accordance with their income and expenditure) was introduced in 1972. Accordingly, in 1979, resources were allocated for teacher salaries, transport and accommodation, and for other operational expenditure, which was the only heading whose government allocation was calculated with respect to average costs. The advantage of the formula for the government lay mainly in the ease with which costs could be forecast.

In 1996, the system of classifying municipalities for the award of the block grant by the Ministry of the Interior was replaced by arrangements for more even distribution of resources based on the tax revenue of each municipality with respect to the national average (compensatory allocations went to municipalities with low revenue while those whose revenue was high received very few, if any, such payments).

In 1997, a third reform rounded off the 1996 initiative. The Ministry of Education adopted a unit price for each municipality on the basis of various criteria. The grant awarded to each corresponded to the difference between the specific unit price for the municipality concerned and the share of the costs borne by the Ministry (which, for all municipalities, resulted in an equal per capita amount for all basic services).

A.2.3. Stability at central level

Lacking any further information, it is hard to ascertain whether the other countries (Germany, Greece, Spain, Luxembourg, Portugal, Iceland and Liechtenstein) have felt it unnecessary to change the way they determine the volume of resources awarded to schools. It is equally difficult to say whether the decentralization some of them have experienced precludes any attempt to identify those reforms which may have affected methods used by the appropriate decentralized bodies to fix the amounts concerned. Naturally, the latter question is also of relevance to countries that have taken steps to decentralize management of the award of public-sector resources for schools to the municipalities (see Chapter 3, point II.A.2.2).

The fact that the situation in some countries may have remained unchanged does not necessarily mean that there is no ongoing debate there. In Germany, for example, discontent has been expressed with a system in which only the Minister of Education (at *Land* level) is responsible for the employment of teachers. As a result, a growing number of *Länder* have made their arrangements for the introduction of new teaching posts more flexible. For example, work over and above formal contractual requirements may give rise to special remuneration, and additional teachers may be employed for a limited time to replace staff who are absent, or for other reasons. Increasingly under discussion also at present are concepts aimed at granting a measure of autonomy to schools as regards at least a share of the teaching posts and other resources allocated to them. While such proposals are not directly concerned with determining the volume of resources awarded to schools, they would appear nevertheless to have implications for the task, since the transfer of allocations to schools would replace the designation of teaching posts. Yet there is still no fundamental reform envisaged, in the near future, of the arrangements currently implemented in the budgets of the *Länder*, which involve calculating numbers of teaching posts and then making them available in practice to schools.

In the case of countries with decentralized systems in which local authorities decide how the amounts of resources will be established, the recommendations these bodies may receive from central government (or the top-level authorities for education) obviously have to be taken into account. Trends in this respect may vary very widely depending on the country concerned. In Denmark, for example, the ministerial recommendations of 1987 appeared to be shifting from funding based on the number of classes to per capita funding, thereby strengthening the principle of transparent management, making needs easier to forecast and encouraging competition between schools. By contrast, in Sweden, the recommendations of a 1994 government decree encouraged municipalities to award resources with due regard for school requirements, thus making maximum use of their discretionary powers.

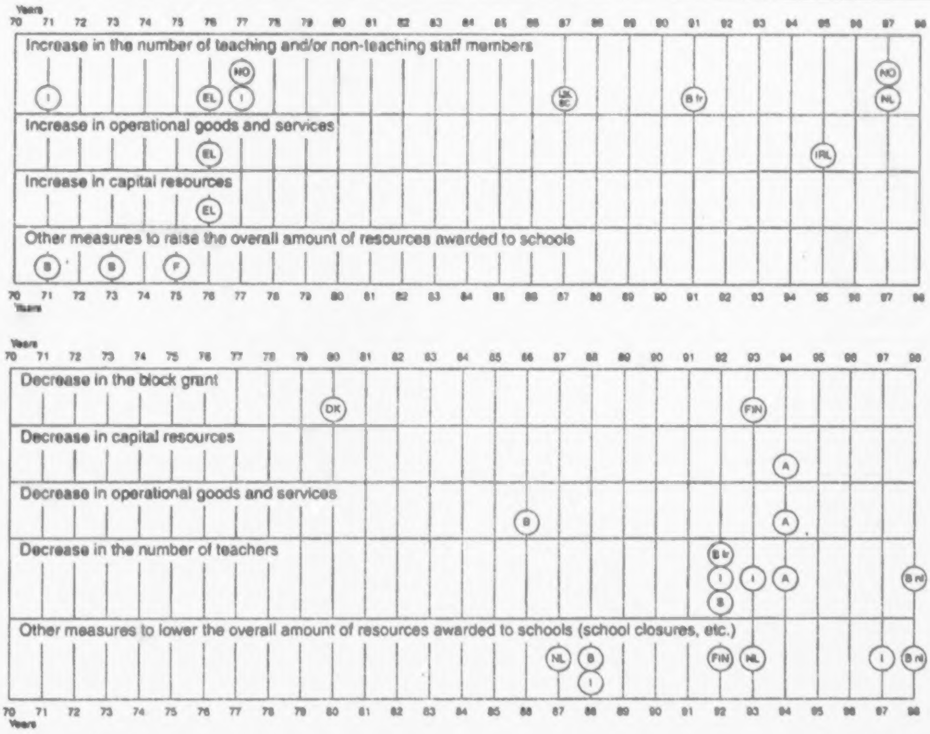
B. REFORMS ALTERING THE VALUE OF FACTORS USED TO CALCULATE THE VOLUME OF RESOURCES

These reforms have had no impact on either the structure of the system for resource allocation, or the fundamental way in which the amounts of resources are determined. They are concerned instead with quantitative changes in the factors used to calculate these amounts, which thus result in an increase or decrease in the volume of the resources concerned.

B.1. HISTORICAL ANALYSIS

Figure 3.8 shows the years in which these reforms were introduced. In the case of programmes covering several years, the year in which they began is indicated.

FIGURE 3.8: DATES OF THE MAIN REFORMS RELATING TO AN INCREASE OR DECREASE IN THE VOLUME OF RESOURCES AWARDED TO PRIMARY AND/OR SECONDARY SCHOOLS BETWEEN 1970 AND 1998



Source: Eurydice.

Seven countries, Belgium, France, Greece, Ireland, Italy, the United Kingdom (Scotland) and Norway introduced measures to alter numerical factors or coefficients so that the volume of resources awarded to schools could be increased. The French Community of Belgium and the Netherlands raised the number of teachers made available to schools in 1991 and 1997, respectively. However, these provisions corrected previous mandatory decreases in the teacher/pupil ratio and alternated with other measures aimed at reducing the amounts of resources. In five other countries, Denmark, Italy, Austria, Finland and Sweden, all measures introduced changed the value of numerical factors with a view to decreasing resource amounts.

B.2. CONTEXTUAL ANALYSIS OF THE REFORMS

Reforms that consist in no more than a variation (increase or decrease) in the scale of resources made available to schools, without calling into question the basic technique for determining the amounts concerned, are the result of a change in the importance attached to either education in general, as opposed to other public-sector responsibilities, or to these particular levels of education (primary and lower secondary) as opposed to other levels. They are not motivated by either dissatisfaction with the procedure for assessing the needs of schools, or by the way in which their needs are met.

The factors explaining these increases and decreases in the volumes of resources are thus demographic, educational or budgetary in nature.

B.2.1. Demographic factors

During the 1970s, Greece was faced with a change in the demand for education. Problems of a demographic kind intensified the need for investment in new school buildings. The effects of large-scale migrations from the countryside to the towns, and the extension of the period of compulsory schooling which, in 1997, had more than offset the impact of the declining birth rate, were compounded by the need to invest massively in education, as advocated by the economic theory of human capital, much in vogue at that time.

Greece has not been the only country characterized by massive investment in education. However, although the other Mediterranean countries have also been affected by this trend, it has not been paralleled in them by a reform of the arrangements for fixing the volume of resources awarded to schools. In yet other countries, it is primarily higher education that has benefited from the increase in resources earmarked for education, as primary and lower secondary education were already relatively well developed at the start of this period.

B.2.2. Educational factors

In Belgium, the general extension throughout the 1970s and 1980s of *enseignement rénové/vernieuwd secundair onderwijs* (reformed education) is often invoked to explain the big growth in expenditure on secondary education. The number of study options and branches offered to students increased, as did educational expenditure as a result. In the aftermath of these changes and in order to ensure the equality of the various sectors of education, the Belgian Law of 11 July 1973 provided that the government should contribute to the travel costs of pupils so that parents really were free in practice to choose their child's school. The Law further stated that the salaries of teachers in the grant-aided private sector should be raised to the same level as those of their public-sector school counterparts, and that operational grants should also be increased, and resources made available to assist bodies responsible for grant-aided private schools with their building schemes. While these measures were motivated by the national concern to secure equality among the various sectors, they were introduced at a time of almost total general freedom from budgetary restrictions, without which they would in all probability not have materialized. As it was, they led to a substantial increase in the cost of education.

The 11 July 1975 Haby reform in France which introduced the *collège unique* (with just a single stream in lower secondary education) involved an increase in the budgetary resources awarded to *collèges*. Since 1995, substantially increased resources in communications technology have been allocated to these schools.

Various educational innovations in Italy in the 1970s led to a growth in the number of teachers. They included extending the period of compulsory education in 1971, a considerable increase in normal school hours and the integration within mainstream schools of handicapped pupils. Other changes such as the reform of elementary education occurred in the 1990s, leading to an increase in the scale of human resources made available to schools. At the same time, this increase was partly offset by various measures aimed at the more efficient use of resources.

In the United Kingdom (Scotland), the increase in the volume of resources made available to schools may be attributed to the revision of teacher/pupil ratio requirements in 1987, primarily for educational reasons (including a change in the curriculum and a greater emphasis on the practical aspect of course content, etc.).

The number of hours of class time was increased on several occasions in Norway from 1977 onwards. However, the hourly workload of teachers decreased several times during the same period. The duration of compulsory schooling was extended to ten years in 1997. These reforms led to a big increase in the human resources earmarked for schools.

B.2.3. Budgetary factors

In the Netherlands, the public authorities felt obliged to make budgetary savings. As in other countries, the political solution favoured was to adopt the precepts of decentralization and privatization for several public services, including education, as more autonomous individuals or organizations were believed to operate with greater cost-effectiveness (see Chapter 2). This accounted for the 1987 plan to reduce the number of secondary schools and increase their size, as well as for the 1993/94 *Toerusting en Bereikbaarheid* initiative which had the same consequences for primary education. Yet in 1994, a new government encouraged by the health of the economy sought to improve the quality of education and, in 1997, lessened the size of primary school classes by increasing the teaching capacity through the appointment of a number of teaching assistants.

In Belgium, pressure on the public authorities to introduce essential cutbacks in spending was the reason for the 1986 budgetary measures (the Val Duchesse scheme for rationalization under the special powers conferred on the government by parliament), together with those of 1988 just before the Communities fully assumed their responsibility for education. This led to a political crisis in the French Community of Belgium and, in 1991, to a supplementary teaching grant equivalent to BEF 200 million (almost EUR 5 million) for all secondary schools, at a time when the budgetary situation in the French Community was far from sound. From 1992 onwards, severe economic restrictions proved necessary. They entailed measures to limit the circumstances under which secondary schools could be founded, maintained, merged, or divided into separate establishments, along with a gradual reduction in the pupil/teacher ratio. In the Flemish Community of Belgium, new measures aimed at rationalizing the financial management of secondary education led to changes in the factors used to calculate funding, in order to reduce the amounts made available.

Extensive budgetary restrictions in Austria from 1994 to 1996 proved inescapable as a result of the public deficit. All sectors controlled by the public authorities were severely affected, and education was no exception.

In Italy also, the state of public funds led the authorities to rationalize public-sector administration in general, as well as the education sector, which was especially affected by the declining birth rate. The first measures were introduced in 1988 when a statutory order established stricter requirements for maintaining schools in existence or merging them. The regulations amended in 1992 were those relating to the number of pupils in each class, rather than those concerned with the award of resources to schools, per se. The impact of this multiannual plan on the volume of resources available to schools was no less real for being indirect. In 1993, measures for rationalization sought in particular to decrease the cost of education, while the factors governing the number of teachers eligible for the supplementary 'organic' allocation were revised. In 1997, budgetary considerations also inevitably resulted in restrictions increasing the number of schools that had to be closed.

Some of the Nordic countries have also taken steps to limit the amounts of resources without altering the basic method by which they were fixed. Because of their decentralized arrangements for financing education, local authorities have always been involved in the measures concerned. Thus the Ministry of Education in Denmark sent out a series of circulars in the 1980s recommending that the *folkeskolen* cut back their expenditure on teaching staff, in view of the decrease in the number of pupils and the restrictions on public expenditure that the country sought to achieve during this period.

In Finland, the cost of education – in particular in a country with such a low population density – was also instrumental in significant moves to achieve savings in 1992. As a result, a large number of schools were closed. Closures continued throughout the period from 1993 to 1998, because of the annual reduction in government subsidies and successive cutbacks in municipal expenditure.

Municipalities in Sweden were confronted with financial difficulties at the beginning of the 1990s, and reduced the number of school teaching and non-teaching staff on which they had previously relied.

In Ireland, the influence exerted by budgetary factors was quite different. After a long period of economic recession, the country experienced a period of intense growth in the 1990s, enabling the government to contribute more to the cost of education and do much to relieve schools that had been experiencing considerable financial hardship. In addition, a more recent measure has sought to strengthen the capacity of the public authorities to intervene in the area of capital expenditure by schools which are mainly grant-aided private establishments (see Section 1 of the General Introduction).

In general, budgetary considerations are the main reason why the public authorities alter the value of the factors applied to indicators of school needs in such a way as to limit public expenditure on education without, however, altering the basic technique for determining the amounts of resources awarded to schools. The value of such factors may also be amended to provide increased resources for schools when the aim is to develop the sector of education, as in Greece, to carry through a new educational measure, as in Belgium, France and the United Kingdom (Scotland), or to correct or offset the impact of previously restrictive measures, as in the French Community of Belgium and the Netherlands.

C. SUMMARY

Methods of determining the volume of resources awarded to schools and the decentralization of responsibility for the management of schools (discussed in Chapter 2) are two very closely related issues. The autonomy of the bodies concerned and the way in which the amounts of resources are fixed, have indeed been two mechanisms used by the political authorities in order to improve the performance of education, ensure its satisfactory development and reduce its cost.

The budgetary problems with which most countries have been faced have led the public authorities to analyse the **overall efficiency** of their action, and to consider how resources for the various sectors for which they are responsible should be allocated. In certain instances, the decisions taken on these matters have resulted in a relative decrease in resources earmarked for education.

A second goal is **sectorial efficiency**, which relates to the way resources intended specifically for education are shared out among schools. The public authorities have pursued this objective either by decentralizing decision-making to a level at which the needs of schools are clearly known (although in doing so they still have to consider the best way of distributing resources among the appropriate decentralized entities), or by seeking the most appropriate formula for identifying real school requirements.

Finally, education has to be **technically efficient** which means that the resources ultimately made available to schools are used as productively as possible with due regard for their special contribution to society. Here again, several countries consider that school autonomy is the most promising means of achieving this aim.

Certain countries (such as the Nordic ones) have tended to devote greater attention to the autonomy of local authorities. This rules out any systematic analysis of methods for establishing the volume of resources awarded to schools, for the very reason that systems resulting from a multiplicity of local decision-makers are so varied in nature. It may be helpful to refer to Chapter 2 for a more detailed consideration of these matters. Some countries have ensured that decisions about the amounts of resources remain relatively centralized, and their reforms have focused on the methods used to calculate them. This applies to Belgium, the Netherlands, Ireland, Italy and the United Kingdom. Others have retained a relatively centralized decision-making system without having to envisage, to anything like the same extent, reform of the way in which the volume of resources awarded to schools is calculated. Such is the case in Luxembourg and Liechtenstein.

It is the differing emphasis attached by countries to the foregoing three aspects of their performance in education, as well as to other values, which accounts for whether they have opted for one or other particular system.

Extensive decentralization of decision-making, in which local players are entirely free to determine the amount of resources awarded to schools, provides for policies relatively well geared to the schools' needs because of the proximity of those that take decisions and the schools themselves. This kind of system which, by its very nature, implies numerous centres of decision-making, has to be viewed from a relativistic standpoint and is not therefore conducive to transparency and comparisons between schools as far as the allocation of resources is concerned.

Conversely, relatively centralized systems associated with specific procedures, such as the establishment of norms and use of strictly regulated conversion tables or mathematical formulas, almost certainly have the advantage of ensuring that all processes are transparent and that all schools will, as far as possible, benefit from the same treatment. However, the disadvantage of such systems is that they do not encourage the growth of new projects within schools or take account of particular local circumstances.

This somewhat general statement has to be qualified with respect to the various categories of resources: teaching staff are a resource which is put to immediate use and cannot be accumulated. As a result, every new school year corresponds to a fresh start in all schools. From this standpoint, all are on a strictly equal footing. Their real needs are consequently fairly similar, with due regard for the number of pupils and/or classes and their characteristics. Capital, on the other hand, corresponds to a stock of assets (buildings, sites, equipment) whose nature is peculiar to each individual school. Indeed, at the start of every school year, each school possesses capital whose capacity to respond to its requirements is unique.

The advantages and disadvantages of the various methods of establishing the quantity of resources awarded to schools should therefore be considered in the light of the particular characteristics of the different categories of resources. It is for this reason that countries have generally decentralized decisions relating to buildings, which require consideration on a case-by-case basis, but have usually retained central responsibility for estimating the teaching staff requirements of schools.

The advantages and disadvantages of the various methods for establishing the volume of resources are summed up in Figure 3.9.

FIGURE 3.9: ADVANTAGES AND DISADVANTAGES
OF THE VARIOUS METHODS OF DETERMINING THE VOLUME OF RESOURCES

Techniques for determining the amounts concerned

		ADVANTAGES	DISADVANTAGES
MATHEMATICAL FORMULA OR CONVERSION TABLE RELATED TO THE NUMBER OF PUPILS	FOR THE PUBLIC AUTHORITIES	• Transparency of the system. • Good approximate assessment of general school needs. • Good forecasting of public expenditure. • The possibility that, under certain circumstances, competition between schools will be increased and, with it, the quality of education.	• In the case of competition between schools, the possibility of 'pupil hunting' which may, under certain circumstances, have undesirable consequences.
	FOR SCHOOLS	• General needs relatively well covered • Transparency of the system	• Risks linked to possible fluctuations in pupil enrolment, forecasting almost impossible. • Responses do not match specific individual needs.
MATHEMATICAL FORMULA OR CONVERSION TABLE RELATED TO THE NUMBER OF CLASSES	FOR THE PUBLIC AUTHORITIES	• Transparency of the system. • Good approximate assessment of general school needs.	• In the absence of strict legislation, schools may ill-advisedly increase the number of classes.
	FOR SCHOOLS	• General needs relatively well covered. • Transparency of the system	• Responses do not match specific individual needs.
MATHEMATICAL FORMULA OR CONVERSION TABLE RELATED TO THE SITUATION IN THE PRECEDING YEAR	FOR THE PUBLIC AUTHORITIES	• Expenditure can be very accurately forecast. • Substantial transparency of the system.	• No incentive for schools to improve the quality of their provision.
	FOR SCHOOLS	• Income can be very accurately forecast.	• Inhibits the growth of developing schools and supports those whose development is lagging behind. • Needs are not always well covered.
FREE DETERMINATION OF AMOUNTS BY A PUBLIC AUTHORITY	FOR THE PUBLIC AUTHORITIES	• Needs can be appropriately satisfied.	• Lack of transparency, encouragement to some schools may be misplaced.
	FOR SCHOOLS	• Particular needs of individual schools can be appropriately satisfied.	• Not all schools necessarily receive the resources to which they might reasonably be entitled.

Transfer of responsibility – Level of decision-making

	ADVANTAGES	DISADVANTAGES
CENTRALIZATION	• Transparency: all schools are treated in the same way.	• Particular individual circumstances are hard to take into account
DECENTRALIZATION	• Particular needs of individual schools can be taken into account because of their proximity to decision-making.	• Increased likelihood of differing treatment for schools across the country. The response to objectively similar circumstances will not always be the same.

Source: Eurydice.

BEST COPY AVAILABLE

CHAPTER 4

ADDITIONAL FUNDING FOR SCHOOLS WITH PUPILS COMPRISING SPECIAL TARGET POPULATIONS

In addition to the main resources channelled to all schools (staff, operational goods and services and immovable capital assets), some schools selected on the basis of special criteria receive supplementary resources. These resources are not included in the general funding mechanisms for education which are applicable to entire sectors or levels. On the contrary, they are awarded to schools in a way that varies in accordance with the particular requirements of the pupils who attend them.

This distinct kind of funding has been a major concern in European countries for the past 30 years. Mass compulsory education, which has fully materialized in the second half of the 20th century, has led to pupils from all social backgrounds, and with varied skills at different levels, sharing the same classrooms. As education has developed along these lines, so has the realization that pupils relate to schooling in different ways depending on their social background. Awareness of this has been heightened by the coming together, in some schools, of large groups of children who, for a variety of reasons, experience major learning difficulties related to their cultural or socio-economic background. Equality of opportunity has accordingly been confirmed as a guiding principle in the legislation of many European countries. Viewed as a way of placing all pupils on the same footing, in order to overcome difficulties at school attributable to social or cultural background, respect for the principle has meant taking account of the specific requirements of certain groups of pupils and developing a system for the distribution of resources that corresponds to those needs.

This chapter focuses on the different ways in which European Union and EFTA/EEA countries respond to pupil requirements linked to social or cultural background through their methods of financing schools. It deals with resources which, rather than being awarded systematically to all schools, are set aside for some of them on the basis of criteria associated with socio-economic, cultural or linguistic traits which give rise to the need for such additional support. These characteristics may be identified in terms of target groups of pupils within a particular school, or with respect to its surrounding area.

The present chapter identifies the human and material resources available to some schools to support developments such as the recognition of priority education areas, supplementary courses in the language of teaching for minority linguistic groups, projects to fight school dropout, or an increase in the teacher/pupil ratio. The analysis does not cover resources allocated to schools specifically for the integration of children with special educational needs, who require support to cope with learning difficulties arising from a motor or cognitive handicap, or some other kind of disability (1).

However, certain forms of financing do provide schools with a global allocation of additional resources dependent on the presence of pupils from one or more of several target populations, including children from disadvantaged family backgrounds or with particular educational needs. In such instances, attention will be drawn to the characteristics of the pupils who are catered for.

Two other categories of resources not belonging to the general mechanisms for funding schools are also excluded from the present analysis.

The first concerns resources for teaching national linguistic minorities (as distinct from immigrant linguistic minorities) in their mother tongue, which are available in Austria, Finland, Sweden, the United Kingdom (Wales, Northern Ireland and Scotland) and Norway. Such teaching receives special state support in these countries for schools enrolling pupils in this category. However, for the purposes of the present study, it is not viewed as corresponding to a special requirement, but to the political will in the countries concerned to provide bilingual or multilingual education and take account of the linguistic diversity present within their borders.

---

(1) Many European countries have conducted and financially supported voluntary policies for the integration of these children within general education during the last 30 years. This is an interesting issue in any consideration of the financing of education. However, in so far as the present study does not address the financing of special education, it is beside the point for a comparative analysis to consider solely how countries finance the integration, within mainstream schools, of children with special educational requirements. Furthermore, such schemes for integration do not implement the same kinds of initiative as schemes seeking to satisfy different needs related to socio-cultural background.

The second relates to teaching immigrant groups their mother tongue and increasing their familiarity with their native culture. This kind of provision is indeed distinct from the specific needs of compulsory education in so far as it reflects a desire to achieve integration through rediscovery of their cultural identity by the groups concerned, and to promote cultural and linguistic diversity. Viewed in this way, such provision corresponds primarily to concerns of a societal and civic nature. However, its funding is sometimes tied to that of special resources and, in such particular instances, reference may be made to it.

The funding of schools that enrol pupils from disadvantaged backgrounds, as defined above and considered here, displays variations which may be grouped into three main models. Two variables are distinguished in drawing up these categories. They are, first, the form in which special funding is awarded and, secondly, the room for manoeuvre of schools when it comes to distributing the resources concerned. Within these three models, the criteria governing allocation of the resources to schools are also analysed.

- In the first model, special resources are awarded as an **increase in the general allocation** granted automatically by top-level or intermediate authorities to schools for one or several resource categories. Decisions about how these resources should be used are thus in most cases the responsibility of the school concerned.
- In a second model, the central government or intermediate authority awards schools **special resources** intended to address a specific requirement, and determines precisely how they should be used.
- The third model involves the allocation of **resources to support schemes** for fighting school failure or significantly slow learning (where one or more years have to be repeated), which have been devised and implemented by the school, a group of schools or an intermediate authority.

These three main procedural models are a reflection of many differing national policies for the identification of particular requirements, which are discussed in the first descriptive part. It is important to point out that a given country may offer a variety of formulas for funding, and thus be included in several categories.

Analysis of the current situation in each country will be followed by a contextual section examining why methods of financing special resources are introduced, and consider how the part played by supplementary funding reflects the principle that education should have an egalitarian dimension.

I. DESCRIPTION OF THE SITUATION IN 1997/98

A. INCREASING THE GENERAL ALLOCATION AWARDED TO SCHOOLS

In the case of this model, the public authorities of the countries concerned increase the allocation of some schools for one or several resource categories as particular needs become apparent. These needs reflect two generic criteria. The first relates to the presence in schools of pupils belonging to **target groups for which extra resources are felt to be necessary**, such as children from families at a low socio-economic level, children of immigrant origin, or children with special educational needs. The second has to do with the geographical location of the school when it is situated in an area said to be socially and economically disadvantaged.

In seven EU countries, namely Germany, Spain, France, Ireland, Portugal, Sweden and the whole of the United Kingdom, schools corresponding to the above criteria receive from the public authorities additional resources for staff, and/or operational activity or even capital. In most cases, these supplementary resources are not earmarked for a particular purpose, but are lumped together with the general allocation for the corresponding categories. In most cases described below, a school distributing these resources has the same leeway as when handling its resources in general (see Chapter 2). Where it receives additional staff resources, it invariably uses them to increase the teacher/pupil ratio.

A.1. AN INCREASE IN THE STAFFING ALLOCATION

This applies to Germany, Spain, France, Ireland and Portugal.

In Germany, additional resources are awarded to schools enrolling pupils from immigrant backgrounds, so as to encourage them to learn the language of instruction and preserve their cultural identity. There are a variety of programmes for them to learn German and for assisting them at school more generally (such as German language lessons and bilingual classes). As to their cultural identity, foreign pupils can attend up to five lessons a week in their mother tongue on the geography, history and culture of their native country. The additional resources are allocated by varying the teacher/pupil ratio with respect to the number of pupils of foreign origin attending the school concerned.

In Spain, the educational authorities of the Autonomous Communities or the central government allocate additional teaching posts to schools attended by pupils unable to follow the syllabus through its normal stages, such as the children of some seasonal or rural workers, travellers and circus people. The form this allocation takes is at the discretion of the educational authority, and it may be separate or included in the general staff allocation.

In the case of the other three countries, some of the schemes referred to below have several components, one of which is an increase in the staff allocation. They may also involve allocations of operational resources (discussed in Chapter 4, point I.A.2), allocations for projects submitted by schools to the top-level authority (see Chapter 4, point I.C.1) or, yet again, in the case of a single scheme in Ireland, resources awarded by the central authority for a specifically defined aim, namely the development of a partnership between the school, home and the local community (see Chapter 4, point I.B).

In primary and lower secondary education in France, the *inspecteur d'académie* decides how many teachers will be assigned to each school, in accordance with a ministerial allocation (1). At primary level, the teaching staff allocation is calculated on the basis of the ratio of 'the number of teaching posts for every 100 pupils' and, at secondary level, in terms of the number of hours per pupil. These ratios are varied by the inspectors to take account of certain specific characteristics of schools and, above all, their possible classification in *zones d'éducation prioritaires* (ZEPs, or priority education areas) (2). This classification is carried out by the Ministry. The allocation criteria relate to the scale of educational and social difficulties affecting the neighbourhood concerned, and are based on a variety of indicators. They include the proportion of unemployed or working-class people, the number of very large families, families in which neither the father nor mother have secondary school (or higher) qualifications, or families in which one person is non-European, as well as the number of persons receiving social benefits (equivalent to the official minimum wage). Only one school criterion is used, namely the result of the assessment that follows the third year of primary education.

In Ireland, in primary education, the Ministry of Education awards additional resources, in the form of staff, to schools situated in disadvantaged areas, under the terms of two programmes. In the first, the *Designated Areas* scheme, the areas concerned are determined by the Ministry of Education, on the basis of socio-economic criteria, including the unemployment rate, the number of persons holding a medical card (giving free access to health care), and the rate of local authority housing occupancy by families. Schools that joined the scheme before 1993 also receive an additional teaching post. The remainder receive operational resources discussed in Chapter 4, point I.A.2. In the case of the second programme, known as the *Breaking the Cycle Initiative*, the areas involved are selected by the Educational Research Centre in accordance with socio-economic criteria. Selected schools in urban areas receive supplementary teaching staff in order to achieve a teacher/pupil ratio of 1:15, and have the support of a coordinator. In rural areas, schools in groups of 25 are also entitled to the services of local coordinators.

---

(1) This allocation itself already takes account of certain social criteria associated with the geographical area of jurisdiction of the *académie* inspectorate.

(2) The other main criterion leading to alterations in the teacher/pupil ratio is the location of schools in rural areas. However, it is not considered in this chapter because it does not correspond to funding geared to the requirements of a disadvantaged social group. Furthermore, in addition to these two official discrimination criteria, inspectors may, in exceptional cases, take account of whatever criteria they choose. However, they have to be able to justify them to school heads and parents whose outlook is very egalitarian.

The *Designated Areas* scheme also exists in secondary education, in which it seeks to offer supplementary teaching staff resources to schools in disadvantaged areas. The corresponding criteria are drawn up by the Department of Education and Science together with its main partners. Overall, they are based on the number of pupils in particular family circumstances (including children with unemployed parents, from single-parent families, families in ill-health or who are poor or live in local authority housing), or who have experienced problems at school (difficulty in reading and writing, or dropout).

In primary and secondary education, schools are meant to decide what use should be made of additional staff resources allocated to them under the *Designated Areas* scheme for different forms of assistance to pupils in deprived circumstances. In most cases, they are earmarked for the appointment of assistants for normal school work, enabling the teacher/pupil ratio to be increased. They are also sometimes used to support initiatives under the *Home/School Liaison* scheme (see Chapter 4, point I.B), or remedial work at the discretion of the school *boards of management*.

It should be pointed out that the criteria for determining which schools are entitled to additional resources were amended in 1998/99 so that greater importance is now attached to the characteristics of pupils than to those of the area in which a particular school is situated. A reflection of this is the *8-15 Year Old Early Leavers Initiative*, a pilot programme for fighting school dropout. The extra resources made available to schools under the scheme comprise staff allocations and other additional forms of assistance. Priority is being given to reducing the size of classes, support for extra-curricular activities, the purchase of teaching equipment and materials, the allocation of social workers, vocational training, and the appointment of educational advisers. Action to fight absenteeism is also envisaged.

In Portugal, a programme known as *Territórios Educativos de Intervenção Prioritária* (TEIP) relates to the first stage of *ensino básico* (basic education). It provides for the award of supplementary resources for school teaching staff in certain areas with particular multiethnic characteristics or different social classes existing side by side (¹). When a school is formally declared to belong to a priority intervention area, it may be awarded additional teaching staff resources, by ministerial decree, to raise the basic teacher/pupil ratio fixed by statutory order. While supplementary staff contribute to general teaching activity, special assistance may also be provided for improving school performance. Additional human resources are also awarded to schools with pupils from poor socio-economic backgrounds.

For the second and third stages of *ensino básico*, additional teaching staff resources may be awarded, on the grounds that pupils require special teaching supervision, as a total number of hours of teaching and other activities calling for extra staff to complement tenured staff. Such supervision may involve, for example, the provision of remedial classes for pupils in considerable difficulty, with the aim of helping them to overcome their problems.

A.2. AN INCREASE IN THE OPERATIONAL AND/OR CAPITAL ALLOCATION

In France, in the case of secondary education, Ireland (primary education), and Portugal (the first stage of *ensino básico*) methods of allocating operational resources take account of qualitative criteria relating to the school population. This also applies to allocations of fixed capital (immovables) in Portugal.

When the *départements* in France award operational allocations to *collèges* (lower secondary schools), they take account of whether schools are officially classified as belonging to ZEPs. This classification depends on the social characteristics and ability at school of the pupils concerned (see Chapter 4, point I.A.1).

(¹) Where this is the case, the policy of the Minister of Education is to mix pupils from various social backgrounds or ethnic groups within classes, the size of which may be reduced to 20 as a result.

In Ireland, primary schools included in the *Designated Areas* scheme receive supplementary cash resources as a flat rate amount of IEP 30 (around EUR 24) per pupil. Use of the cash allocation by schools is guided by ministerial recommendations: IEP 16 (some EUR 13) earmarked for project management, IEP 9 (around EUR 7) for the purchase of books and school equipment and IEP 5 (some EUR 4) for *Home/School Liaison* initiatives. Urban schools in Ireland participating in the *Breaking the Cycle Initiative* receive a sum of IEP 3 000 (around EUR 2 363) for office and classroom supplies, equipment and furnishings, while rural schools are awarded IEP 1 000 (around EUR 788) for the same purpose.

Schools in Portugal offering the first stage of *ensino básico* which are in the TEIP receive supplementary operational and capital resources. These subsidies are awarded in kind by the Ministry of Education.

A.3. AN INCREASE IN THE GLOBAL ALLOCATION OF RESOURCES FOR STAFF AND OPERATIONAL ACTIVITY

This method of awarding additional resources relates to schools in some Swedish municipalities and in the United Kingdom. Within the context of global allocations, it is noteworthy for the fact that municipalities are responsible for the award of this further support. In the United Kingdom, the local authorities take the decision to allocate additional funding to certain schools whereas, in Sweden, the availability of corresponding funds is based on instructions from the central government.

In Sweden, government legislation identifies target groups of pupils with particular needs who require additional forms of teaching to take account of them. They may include pupils whose mother tongue is not the language of instruction, those from a disadvantaged socio-economic background or others with particular educational needs. The government has stipulated that this assistance should be provided without specifying in what form it should be funded. Some municipalities have opted to increase the general allocation. They either award the basic resources to schools and then a further amount that depends on the particular needs of pupils, although its precise use is not specified; or, alternatively, they calculate the allocation to schools by weighting it in accordance with the socio-economic characteristics of their catchment areas.

Support may be of different kinds (including remedial activity for pupils in difficulty, Swedish language learning classes for immigrant pupils, and logistical support for children with special educational needs, etc.). The school head has the task of providing for the education and social well-being of pupils, which implies that they should receive the special assistance and support they require.

In the United Kingdom (England, Wales and Northern Ireland), the budget awarded to schools by the *Local Education Authorities* (LEAs) or *Education and Library Boards* (in Northern Ireland) for expenditure on staff and operational activity is calculated in accordance with the regulations of the *Local Management of Schools* (LMS). These regulations oblige local authorities in England to award at least 80% of staff and operational resources on the basis of the number of pupils. In Northern Ireland the proportion is 75%, and in Wales the figure was reduced from 80% to 75% in 1999. The LMS framework allows for a share of the remaining resources to be distributed to schools on the basis of 'additional educational need'. This includes pupils with formal statements of special educational need, pupils with special needs who do not qualify for a formal statement and other educational needs such as social disadvantage. The range of indicators used by local authorities to allocate resources is varied and includes, for example, the number of pupils receiving free school meals, results of statutory or other educational tests, pupil turnover and the ethnic background of pupils and their degree of fluency in English.

While most LEAs and *Boards* take account of the particular needs of schools when calculating allocations, they are not obliged to do so, and their actual practice depends on their own priorities. This sets England, Wales and Northern Ireland apart from the six previous countries, in which the identification of certain specific needs in schools results in extra resources as a matter of course.

In Scotland, procedures for the award of staff and operational resources to schools by local authorities, in accordance with *Devolved School Management* (DSM), take account of a number of social circumstances, such as the location of a school in an isolated area or a disadvantaged catchment area.

Figure 4.1 summarizes the criteria taken into account when increasing the general allocation, depending on the resource category concerned.

FIGURE 4.1: CRITERIA TAKEN INTO ACCOUNT WHEN INCREASING THE GENERAL ALLOCATION FOR SOME SCHOOLS, BY RESOURCE CATEGORY, 1997/98

	STAFF	OPERATIONAL RESOURCES	CAPITAL
D	Presence of children of immigrant origin	Not applicable	Not applicable
E	Presence of children belonging to a target group (travellers)	Not applicable	Not applicable
F	Schools in ZEPs (priority education areas)	Schools in ZEPs	Not applicable
IRL	*DESIGNATED AREAS SCHEME*: schools in a disadvantaged area *BREAKING THE CYCLE INITIATIVE* (primary education): schools in a disadvantaged area *8-15 YEAR OLD EARLY LEAVERS INITIATIVE* (from 1998/99 onwards): presence of children from target groups, i.e. children from disadvantaged areas.	*DESIGNATED AREAS SCHEME*: schools in a disadvantaged area *8-15 YEAR OLD EARLY LEAVERS INITIATIVE* (from 1998/99 onwards): presence of children from target groups, i.e. children from disadvantaged backgrounds	Not applicable
P	Schools in the TEIP Presence of children in a target group: disadvantaged social background, special educational requirements	Schools in the TEIP	Schools in the TEIP
S	Presence of children in a target group: pupils of immigrant origin or from a disadvantaged socio-economic background, or with special educational needs		Not applicable
UK (E/W/NI)	Presence of children in a target group: pupils from socially disadvantaged backgrounds, pupils with special educational needs		Not applicable
UK (SC)	Social characteristics of the school catchment area		Not applicable

Source: Eurydice.

B. PROVISION OF ADDITIONAL RESOURCES TO SCHOOLS UNDER SCHEMES DRAWN UP AT A HIGHER LEVEL

This method of funding special resources is very widespread. It is used in Belgium, Denmark, Greece, Spain, Ireland, Luxembourg, the Netherlands, Austria, Finland, Sweden, Norway, Iceland and Liechtenstein. In most of these cases, the additional resources are directly awarded to schools by the central government (or top-level authority for education). However, in Denmark, Finland, Iceland and Norway, the municipalities make the allocation but its use is determined by the government. In the Netherlands, the allocation is made by the government, but the municipality decides how it should be used. In Sweden, municipalities have the twofold task of allocating the resources and determining their use.

This allocation to schools depends, in most cases, on the enrolment of children from immigrant families but also those with a refugee background and children of travellers, or from families at a socio-economic disadvantage. Such children have been clearly identified as having learning difficulties more often than not attributable to their lack of familiarity with the language of instruction. Resources are mobilized in order to respond appropriately to their particular needs. In all the countries concerned, the allocation takes the form of resources earmarked for predetermined activities, in accordance with programmes devised by the educational authorities. Their aim is to overcome problems encountered in learning the language of instruction by arranging remedial classes outside or during the normal timetable, or preparatory or bilingual classes or, alternatively, through the involvement, in classes, of assistants employed for this purpose. In Ireland, the situation is somewhat different as the content of the schemes entitled to the kind of funding discussed here is more varied (including the relation between school and home, the purchase of new school equipment and materials, etc.). In all cases, the precise use of such resources is specified when they are allocated, so that schools have very little autonomy in this respect. Staff resources are those most commonly allocated.

B.1. ADDITIONAL GRANTS DIRECTLY ALLOCATED TO SCHOOLS BY TOP-LEVEL EDUCATIONAL AUTHORITIES

The Minister of Education in the French Community of Belgium has identified as a target population those pupils whose mother tongue is not French, or who experience difficulty in adapting to its use. Supplementary resources are awarded to schools, as a 'teacher-period' allocation, for classes given by special teachers to help children facing problems of this kind. Three such classes may be organized a week.

The Flemish Community of Belgium has an 'extended care' programme known as *Zorgverbreding* for pupils attending mainstream schools who encounter difficulties in class. This programme covers the first two years of primary school (1). Special attention is given to pupils from disadvantaged backgrounds and those who experience problems with learning. Support for the scheme takes the form of a staff-time-based allocation that has to be used in the transition period between kindergarten and primary education for initiatives related to the teaching of Dutch, the development of intercultural education, the prevention and correction of learning difficulties, and cooperation between teachers, parents and schools. In general, the additional resources have to be used to improve the quality of teaching. Since the 1998/99 school year, the target group has been defined as children whose mothers have no certificate of secondary education, who are from single-parent families, or whose parents are unemployed. In order for a school to receive extra 'teacher-periods', 20 of its pupils, or 10% of them, must belong to this target group, and it must submit a proposal regarding its 'teacher-period' allocation.

In primary and secondary education, a priority education policy programme, known as the *Onderwijsvoorrangsbeleid*, identifies as pupils with specific educational requirements, those who have learning difficulties arising from social, economic or cultural problems. In practice, the emphasis is on the problems of immigrant pupils. The criteria for the award of funding are the number of pupils belonging to the target population, namely those whose mothers did not continue their education beyond the age of 18 (at most) and whose grandmothers were born outside Belgium and were not of Belgian or Dutch nationality by birth (2). The school has to prove that 20 pupils or 10% of the school's population correspond to these criteria. The programme requires above all that the teaching of Dutch to these children should be of good quality, as should the teaching of their own language and lessons about their native culture (both of which are optional). The four activities of this programme are identical to those of the *Zorgverbreding* described above. The main topics covered by the *Onderwijsvoorrangsbeleid* are laid down by the government of the Flemish Community. Schools must then make an application with a proposal for activities to put what the topics represent into practice. When the proposal has been approved by the administration, inspectors and experts, schools are allocated 'teacher-periods' for specific use under the *Onderwijsvoorrangsbeleid*.

Furthermore, in the Flemish Community of Belgium, certain primary and secondary schools throughout the Community have a large number of immigrant or refugee pupils lacking adequate knowledge of Dutch. These schools may receive additional 'teacher-periods' to provide preparatory classes in which the pupils concerned learn Dutch intensively for up to a year. In the case of primary education, these resources are allocated once there are a minimum of four such pupils. In secondary education, the government places children from the target population in a limited number of schools to which it awards the resources for this kind of teaching.

---

(1) The programme starts from the second year of pre-primary (education), but this period is not taken into account because it is not part of compulsory education.

(2) Mothers are a more relevant factor in criteria governing the target population of pupils of immigrant origin liable to experience learning difficulties, because the way of life of mothers (and their level of education) are more likely to have a bearing than in the case of fathers on the progress of their children at school. An investigation by the Higher Institute of Vocational Studies found that, among the population of immigrant origin, the educational level of fathers was of less significance than that of mothers in identifying target groups of pupils who would require further teaching. Indeed, not only were fathers better educated than mothers but the latter were more commonly involved than men in educating their children.

In Greece, schools with large numbers of foreign pupils, children whose parents are travellers, or repatriated Greek children, arrange introductory classes or preparatory sections for the teaching of Greek, as well as the language of origin, in order to facilitate the integration of these pupils into the education system. Such classes and sections make use of tailor-made teaching materials. These classes or sections may be supervised by regular teachers doing overtime, temporary supporting teachers, or teachers with special qualifications working to a shorter timetable. The official pupil/teacher ratios that have to be respected are 9-17 pupils per teacher in the introductory classes, and 3-8 pupils in the case of the preparatory sections. The award of resources depends on the presence of enough pupils for such classes or sections to be started.

In Spain, additional resources are awarded to schools for the benefit of children from immigrant backgrounds, as well as those whose mother tongue is not the language of instruction because they are from a Spanish Community other than the one in which they are attending school. The aim is to ensure that they come to receive entirely normal schooling, by taking into account the particular characteristics of each cultural group. These pupils receive support immediately following their arrival, until they master the language satisfactorily. As regards the method for awarding these resources, there is no calculation formula used throughout the country. Instead, the amount depends on the needs of each school as estimated by the educational authority concerned.

The *Home/School Liaison* scheme in Ireland seeks to develop partnerships between schools, homes and the community by relying on additional support from teachers and parents who mobilize their skills, knowledge and experience in an effort to motivate children to learn. Selection of a school for the scheme depends on the extent to which its pupils have difficulty in following normal classroom activities, and the degree of involvement of parents in the education of their children. While, in principle, the scheme operates independently of any area rating, most schools selected are in fact situated in a disadvantaged area. Those which are not in disadvantaged areas get an additional teaching post equivalent to 11 hours a week. In secondary education, the scheme continues for schools enrolling pupils who have taken part in it at primary level, and whose progress has not been considered satisfactory. Schools join it on a voluntary basis, provided they have accepted its philosophy. The aim is to strengthen the role of parents in their capacity as privileged educators and help them to support their children's schooling. Resources are made available to schools for staff called 'home/school coordinators'. Chosen from among the regular teaching staff, these coordinators are allocated to their posts on a full-time basis to perform tasks determined at central level. Since 1999, local committees have been set up to represent voluntary and statutory agencies in areas identified as disadvantaged. These committees assist and advise the local coordinators.

In order to ensure that all pupils follow a normal path through school in Luxembourg, a whole range of supporting activities are available for the benefit of immigrant children. Thus the systematic teaching of German is organized for these children during the initial years of primary school, and classes offering back-up tuition adapted to their needs are also provided, mainly at pre-primary and primary levels. The number of immigrant pupils attending a school governs the allocation of additional teachers engaged in specific supporting activities. Teaching staff responsible for this tuition are paid for mainly by the Ministry of Education, as well as by the municipalities (with the former contributing between 66% and 80%, and the latter no more than 33%).

In the primary schools, *Hauptschulen* and *Polytechnische Schulen* in Austria, remedial measures have been introduced for children for whom German is not the mother tongue. Those who, because of inadequate mastery of German, are unable to follow in class when they reach the age of compulsory education are offered special support involving up to 12 hours of study a week over a maximum period of two years. For the remainder who, despite some difficulty, can follow lessons satisfactorily, additional German-language tuition of up to five or six hours a week is provided. In both cases, this tuition may be given within normal mainstream lessons, in parallel to them (1), or in addition to the general timetable (for example, in afternoon classes). Where tuition is provided in normal lessons, a second teacher, specifically trained, is present while classes are in progress to provide 'team teaching' to pupils experiencing learning difficulties with German. Remedial provision may last the whole year if necessary.

---

(1) This means that, during normal school hours, the group of pupils experiencing difficulty attend separate classes in general subjects, the teaching of which is simplified to take account of their lesser knowledge of German.

The syllabuses and arrangements for administering the staff are determined at national level. All such initiatives call for extra human resources funded by the Ministry of Education, Science and Culture via the *Landesregierungen* or the *Landesschulräte*. These bodies award additional 'teacher-periods' in accordance with the number of pupils for whom German is not the mother tongue. For each pupil of foreign origin unable to understand in class, a school gets 0.86% of a 'teacher-period', while the corresponding proportion is 0.33% in the case of pupils who follow the normal curriculum. The allocations must be earmarked for lessons providing additional German-language tuition. Where an unexpected number of foreign pupils arrive during the school year, extra resources may be available under the same heading. Within this general framework for support for German-language learning, laid down at central level, schools have some room for manoeuvre.

Primary school pupils in Liechtenstein whose mother tongue is not German (around 7%), take part in a three-stage government programme known as *Deutsch als Zweitsprache*. During the first stage, they receive intensive German-language tuition, and also learn arithmetic and music. In stage two, these pupils join some classes for children in the first stage of normal schooling, mainly for musical and artistic activity, but continue to learn German separately. In the third stage, once they have a basic knowledge of German, they take part fully in the daily life of the school. Pupils at the (lower secondary) *Realschule* may still receive additional lessons to help them master German. Half of the cost of the specialized staff assigned to these programmes is borne by the government and the other half by the municipalities, and teachers for whom support is made available cannot occupy any school posts other than those to which this support corresponds.

FIGURE 4.2: TYPES OF SPECIAL PROGRAMMES IMPLEMENTED WHERE PUPILS BELONG TO A PARTICULAR TARGET POPULATION. ALLOCATIONS ARE MADE DIRECTLY TO SCHOOLS BY THE TOP-LEVEL AUTHORITY, 1997/98

	TARGET POPULATION	TYPE OF INITIATIVE	NATURE OF THE ALLOCATION	METHOD OF ALLOCATION
		EUROPEAN UNION		
B fr	Pupils whose mother tongue is not French	Additional classes for pupils to learn the language of instruction	Allocation for specialized additional staff	Number of pupils targeted determines the number of 'teacher-periods'
B nl	1. Pupils with learning problems, pupils who come from disadvantaged families 2. Pupils from immigrant families 3. Refugee children, and those who have no knowledge of Dutch	1 and 2. Improving the teaching of Dutch, preventing and overcoming learning problems, parental involvement, etc. 3. Preparatory classes for learning Dutch	1, 2 and 3. Allocation of additional staff	1 and 2. The number of pupils targeted determines the number of teacher periods and submission of a proposal for activities 3. The number of pupils targeted determines the number of 'teacher-periods'
EL	Foreign or repatriated pupils whose mother tongue is not Greek	Introductory classes and preparatory sections for learning Greek and the language of origin	Overtime, temporary support teachers, or specialized teachers working to a reduced timetable	A minimum number of pupils on which the formation of classes and the award of resources for this purpose depend
E	Linguistic minorities (of Spanish origin), children from an immigrant background	Support to pupils (language courses)	Allocation of additional staff, whose duties may or may not be clearly specified	At the discretion of the educational authority concerned
IRL	Children who have difficulty in following the normal school curriculum	Building a link between school and the family	Staff allocated to coordinate the scheme on a full-time basis	Schools which are selected in accordance with the pupils who attend them, and join the scheme voluntarily

Source: Eurydice.

FIGURE 4.2 (CONTINUED): TYPES OF SPECIAL PROGRAMMES IMPLEMENTED WHERE PUPILS BELONG TO A PARTICULAR TARGET POPULATION.
ALLOCATIONS ARE MADE DIRECTLY TO SCHOOLS BY THE TOP-LEVEL AUTHORITY, 1997/98

	TARGET POPULATION	TYPE OF INITIATIVE	NATURE OF THE ALLOCATION	METHOD OF ALLOCATION
EUROPEAN UNION (CONTINUED)				
L	Immigrant children whose mother tongue is not German	Intensive teaching of German Supportive tuition	Allocation of additional staff	The number of pupils in the target group governs the number of teachers involved in specific support initiatives
A	Pupils whose mother tongue is not German	German language support teachers in classes, additional German-language classes	Allocation of additional staff	The number of pupils in the target group governs the award of a certain number of 'teacher-periods' and additional teachers in classes.
EFTA/EEA				
LI	Pupils whose mother tongue is not German	Three-stage programme of integration Additional teaching of German	Allocation of additional staff	(:)

Source: Eurydice.

B.2. SUPPLEMENTARY ALLOCATIONS FROM LOCAL AUTHORITIES FOR PROVISION RECOMMENDED BY THE TOP-LEVEL AUTHORITIES

In Denmark, legislation worked out at government level enumerates a series of regulations on teaching for immigrant pupils, which may involve introductory classes, lessons in Danish as a second language and lessons in the mother tongue. Although subsidies to municipalities where there are pupils of immigrant or refugee origin are not allocated for specific purposes, orders from the Ministry of Education oblige them to take account of the needs of certain pupils. The resources for this purpose are funded under a compensatory Intermunicipal Scheme, to which all municipalities contribute. Under the Scheme, the Ministry of the Interior has allocated DKK 15 314 (around EUR 2 053) a year to them for each of their pupils of foreign origin. This sum is being raised to DKK 17 000 (around EUR 2 279) with effect from 2000. Municipalities thus receive subsidies from the Scheme which depend on the number of pupils of foreign nationality present within their area of jurisdiction, while the corresponding budget is merged into the general municipal budget. The resources are then allocated to the various schools in accordance with the particular requirements of their pupils, and not simply their nationality.

In Finland, schools provide teaching to support certain specific groups of pupils. For those of foreign mother tongue, there is remedial tuition in the form of lessons to improve their knowledge of the language of instruction, lessons focused on various subjects in the general curriculum which are taught in the pupils' mother tongue, or teaching of the mother tongue itself. Children who are refugees or asylum seekers receive six months of preparatory tuition before joining compulsory education where they are generally placed in classes which take account of their age and abilities. To finance this provision, the government awards additional subsidies to municipalities with pupils of immigrant origin, which apply for funding awarded as an annual reimbursement of expenditure. Municipalities consult schools as to their needs and, in particular, those arising from the presence in them of pupils of immigrant origin. However, there is no official formula for the allocation of resources, for which municipalities are responsible subject to certain minimum legislative requirements. The resources to organize preparatory classes for refugee pupils are allocated either in the form of extra teachers for this purpose, or as money to cover salary bonuses for already employed teachers who provide the necessary tuition.

In 1997/98 in the United Kingdom (England and Wales), the Home Office provided LEAs with grants to meet the particular needs of ethnic minorities including the costs of employing additional teachers. LEAs had to apply for these grants, the use of which was determined by central government. From

1999/2000, funding for the grants (included under the so-called *Section 11* category) in England was transferred to the Department for Education and Employment (DfEE). Now known as *Ethnic Minority Achievement Grants*, they aim to provide equality of opportunity for all minority ethnic groups. They are intended primarily to meet the particular needs of pupils for whom English is an additional language, and to raise standards of achievement for those minority ethnic groups who are especially at risk of underachieving. In Wales, the Welsh Office (the National Assembly for Wales since 1999) assumed responsibility for the administration of *Section 11* grants to support the provision of English as an Additional Language (EAL) to pupils from ethnic minorities whose first language is not English. Once the grants have been obtained, the LEAs award cash resources to schools.

In Northern Ireland, the *School Improvement Programme* launched in 1998 is a wide-ranging programme aimed at raising achievement generally in schools but includes elements which are particularly relevant to those that serve socio-economically poor areas. They include the literacy and numeracy strategy, the discipline and behaviour strategy, and the *School Support Programme* (1) which provides a period of intensive support for underachieving schools. The additional resources are allocated by the Department of Education (Northern Ireland) to the *Education and Library Boards*, largely on the basis of the number of underachieving pupils. In consultation with the *Council for Catholic Maintained Schools* (CCMS) the *Boards* then transfer funds to schools in accordance with costed plans. Some additional funding for other elements of the *School Improvement Programme* is also available to the *Boards* but the funding mechanism varies.

The method used by municipalities in Iceland to allocate staff resources to schools takes account of a range of factors, including the number of immigrant children and pupils with special educational needs. Immigrant pupils are entitled to supplementary lessons in which they learn Icelandic as a second language, in accordance with regulations drawn up by the government which has devised recent standard teaching materials for this purpose. Reykjavik has reception centres in three schools in which immigrant pupils acquire the linguistic and cultural abilities necessary to adapt to the Icelandic education system and learn on their own initiative. In Reykjavik also, the municipality alone finances this provision. In the case of other municipalities, the Municipality Equalization Fund provides special cash allocations to support teaching staff who work with immigrant pupils or children with special educational needs. These grants are awarded on application by the municipality and depend on the number of pupils in the target groups with which it has to deal. The municipality also employs and remunerates the teachers responsible for this special provision. Schools, for their part, have to apply to municipalities to obtain these additional resources in the form of teaching posts.

In Norway, special allocations, in the form of teaching hours, are awarded by municipalities to schools for remedial or similar purposes. The various special activities for which these time-based allocations have to be set aside include Norwegian language classes, special education, and remedial education for some pupils, and they are partly used to provide additional teaching of Norwegian to immigrant pupils and child refugees or asylum seekers. The method of financing this provision is the responsibility of schools, which can apply for special subsidies to the Chief Municipal Officer. The municipalities may, in turn, be reimbursed by the government, or receive a special allocation. These resources mainly cover a share of the expenditure by municipalities on the salaries of the teachers involved in the foregoing activities.

---

(1) This Programme follows on from the earlier Raising School Standards Initiative.

FIGURE 4.3: TYPES OF SPECIAL PROGRAMMES IMPLEMENTED WHERE PUPILS BELONG TO A PARTICULAR TARGET POPULATION, 1997/98

	TARGET POPULATION	TYPE OF INITIATIVE	NATURE OF THE ALLOCATION	METHOD OF ALLOCATION
DK	Immigrant or refugee pupils	Introductory classes, lessons in Danish as a second language, lessons in the mother tongue	Cash allocation to municipalities	From the Intermunicipal Scheme to the municipality, depending on the number of foreign pupils From the municipality to schools, depending on the particular needs of their pupils
FIN	1. Immigrant pupils of foreign mother tongue 2. Refugee children or asylum seekers	1. Remedial teaching geared to learning the language of instruction 2. Preparatory tuition	Teaching posts or additional hours	From the government to the municipality, on application From the municipality to schools: consultation to identify needs and discretionary power of the municipality
UK (E/W)	Pupils from ethnic minorities	Support for teaching English as an additional language	Cash allocation	Central government via the LEAs
UK (NI)	Schools in socio-economically disadvantaged areas, pupils with very poor school results	School support programme, literacy programmes, programmes geared to behavioural difficulties	Cash allocation	DE (NI) to the *Boards*, in accordance with the number of underachieving pupils *Boards* to schools, in accordance with a financial plan and consultation with the CCMS
IS	Immigrant children Children with special educational needs	Supplementary classes for the teaching of Icelandic	Teaching posts	From the government to the municipality, following application to the Municipality Equalization Fund From the municipality to schools, following application to the former
NO	Immigrant children Refugee children or asylum seekers	Supplementary classes for the teaching of Norwegian	Special cash allocation	From the government to the municipality: reimbursement or special allocation From the municipality to schools: on application

Source: Eurydice.

B.3. SUPPLEMENTARY ALLOCATIONS FOR ACTIONS DETERMINED BY MUNICIPALITIES FOR THE BENEFIT OF VARIOUS TARGET GROUPS

Countries which adopt this method of financing special school requirements are the Netherlands, and Sweden in the case of some municipalities (those that earmark school subsidies for specific purposes). The schools concerned are awarded allocations for particular requirements associated with pupils from disadvantaged backgrounds. In this respect, the situation in the two countries is similar to that of all countries discussed under Chapter 4, points I.B.1 and I.B.2. However, it is different as far as the large part played by the municipalities is concerned. Central government sets out certain policy guidelines for implementation vis-à-vis the particular needs of pupils, but it is the municipalities that really decide the kind of action that will be undertaken. Furthermore, up to a point in the case of Sweden but above all in the Netherlands, municipalities are responsible not merely for managing resources for schools so that the latter may address the requirements of particular groups of pupils. They also have the task of incorporating various measures into their local policy, enabling these needs to be taken into account.

In the Netherlands, the Ministry of Education, Science and Culture awards additional resources to some primary and secondary schools by weighting the staff allocation in accordance with the needs of certain pupils. Pupils exhibiting particular characteristics count for more than a single unit: they include children whose parents have a low level of education, children in residential care or those with foster parents, children of travellers and children whose native origins are not Dutch. Some schools thus get a greater number of staffing units for the purpose of fighting school failure. However, although these resources are allocated to schools by the Ministry of Education, Science and Culture, the municipalities are responsible for deciding how they shall be used.

Under the *Gemeentelijk Onderwijsachterstandenbeleid* (the municipal compensation policy scheme), the municipalities coordinate the fight against school failure. This scheme receives funding from central and local levels. In addition to weighting the staff allocations for schools, the Ministry of Education, Science and Culture makes resources available to the municipalities in the form of a special subsidy. Besides government resources, primary and secondary schools can therefore rely on municipal financial resources and services. The municipalities decide on the breakdown of funding for the specific programmes among the schools, with reference to a proportion of pupils of Dutch and foreign origin. Schools may decide how the resources should be used, but have to report formally on their decisions to the municipality. The allocation of the resources is also supervised by the school inspectorate.

The municipalities manage the resources intended for the particular requirements of schools in accordance with an action plan drawn up jointly with them, but also with youth support services and libraries, etc. Bodies party to the preparation of this plan are able to decide with the municipality and its other schools on the best way of coping with the difficulties of pupils from disadvantaged backgrounds, and may also determine how the resources available should be distributed and activities organized. Municipalities develop whole strategies to prevent dropout from schools. Within national specifications but with considerable freedom to act as befits their individual circumstances, they manage programmes to support and monitor groups at risk, supervise arrangements to assess the scale of absenteeism, appoint staff to ensure respect for the principle of compulsory school attendance, establish contacts with the parents of pupils at risk, provide integration courses for non-native parents and coordinate their action with that of policies to prevent delinquency or criminality among young people. In addition, specific programmes are set up to ease the transition between different kinds of education for groups at risk.

In contrast to the room for manoeuvre of municipalities in implementing policies for socially deprived groups, several firm guidelines have to be followed by schools. The latter have to adapt to the multicultural environment and offer additional Dutch-language tuition to foreign pupils, as well as lessons in their various native languages. In this case the mother tongue is used in order to learn the Dutch language. Teachers also have to be equipped to guide pupils through their courses at different speeds.

In Sweden, as already discussed in Chapter 4, point I.A.3, government legislation identifies target groups of pupils with particular needs who require additional forms of teaching to take account of them. Municipalities then have considerable room for manoeuvre in deciding what form support should take, its amount, and the method of allocating resources to schools. Some municipalities award schools basic resources and then a top-up amount depending on the individual needs of pupils, which has to be used for specific purposes. Other municipalities distribute resources to schools after negotiating with them. Where this occurs, the amounts negotiated must be kept for the particular needs of pupils.

FIGURE 4.4: TYPES OF SPECIAL PROGRAMME IMPLEMENTED TO TAKE ACCOUNT OF PUPILS WHO BELONG TO A TARGET POPULATION. SUPPLEMENTARY ALLOCATIONS FOR ACTIONS DETERMINED BY MUNICIPALITIES, 1997/98

	TARGET POPULATION	TYPE OF INTERVENTION	FORM OF THE ALLOCATION	METHOD OF ALLOCATION
NL	Pupils at a socio-economic disadvantage: children whose parents are poorly educated, children who live in residential care or with foster parents, children of travellers, children whose cultural background is not Dutch	Classes for the teaching of Dutch, lessons to teach a variety of native languages, schemes targeted at groups at risk to facilitate the transition between different levels of schooling, the fight against absenteeism	Staffing units Specific cash allocations and services available to schools	From the government to schools: depends on the proportion of the school population from socio-economically disadvantaged backgrounds From the municipality to schools: depends on the proportion of pupils of foreign origin
S	Pupils whose mother tongue is not the language of instruction, pupils from disadvantaged socio-economic backgrounds, pupils with special needs	Remedial tuition, classes for the teaching of Swedish, the upgrading of infrastructure	Additional cash allocation	From the municipality to schools: depends on the individual requirements of pupils, following negotiation with the school

Source: Eurydice.

C. ALLOCATIONS FROM A HIGHER AUTHORITY TO COVER LOCALLY PROPOSED ACTIVITIES

The submission of a project or plan of activity may result in the award of resources in a series of countries, irrespective of whether this is their only means of allocating additional resources to schools attended by specific groups of pupils. In Belgium (the French Community), France, Ireland, Italy and Portugal, schools themselves submit such projects, whereas in Denmark, Sweden and the United Kingdom, the local authorities do so. In the case of the *Education Action Zones* (EAZs) in England, the corresponding proposals are drawn up by groups of schools. This particular initiative is discussed with schemes under Chapter 4, point I.C.2 (plans of activity submitted by municipalities), because of its broader geographical coverage and the involvement of the LEAs which work in partnership and co-fund the projects concerned.

C.1. ALLOCATIONS BY THE TOP-LEVEL EDUCATIONAL AUTHORITY FOR PROJECTS PROPOSED BY SCHOOLS

This kind of financing of particular requirements occurs in Belgium (the French Community), France, Ireland, Italy and Portugal. Two kinds of criteria govern the allocation of resources for this form of funding in all the countries concerned. The first is whether a school is in a geographical area with a particular status in terms of socio-economic indicators and/or the performance of its schools. The second relates to the submission of a plan by the school enabling it to cater for the particular needs of its pupils. Where these two conditions (location in a disadvantaged area and the preparation of an educational plan) are satisfied, schools can obtain extra resources in cash or in kind which can be used to help implement the plan. Schools thus have considerable room for manoeuvre, as they have to consider precisely how they will address their specific requirements and then administer the resources allocated (¹). Furthermore, in Italy, schools have even greater autonomy as some of the funds come from other than public sources.

In the French Community of Belgium, a policy for *positive discrimination* results in primary and secondary schools receiving funding specifically for disadvantaged pupils. The Ministry in the French

---

(¹) In France and Italy, projects carried out to compensate for the location of a school in a disadvantaged area carry benefits, in terms of career advancement, for the teachers who devise and see them through. These benefits are not considered here because they are not resources allocated to schools, but ways of rewarding their teachers. As far as the school is concerned, the volume of resources they receive is related to the number of teachers or teaching hours allocated.

Community has a limited budget shared out among schools which apply for some of the money. Subsidies are awarded to those located in disadvantaged areas. Areas are drawn up by the Ministry in accordance with school criteria and socio-economic criteria related to the population of the school or the area in which it is located: among the school criteria are the proportion of pupils who have to repeat a school year, the number of pupils lagging significantly behind, and the number of vocational schools or special introductory classes in the area under consideration. Also taken into account are socio-economic criteria, including the low educational level of parents, the number of foreign pupils, poverty, unemployment, inadequate housing or inability to adapt to the language or culture. The political intention is that the money should be spent on those who need it most. Schools in disadvantaged areas have to submit a project proposal. Once they have secured their subsidies, they plan activities corresponding to the kind of intervention they have in mind and administer the money they receive. The proper use of resources is monitored and controlled by the Observatory for Positive Discrimination Policies (the *Observatoire de la politique de discrimination positive*) and by the inspectorate.

The ZEP programme in France provides for payments by the government via the inspectorate of the *académies* to cover teaching staff and supplies, provided they clearly relate to formal school plans. As in the case of the countries corresponding to the first model discussed above (Chapter 4, point I.A.1), a school in a ZEP is entitled to extra resources as a matter of course. However, it is also possible for such a school to receive resources of this kind for a project it implements itself. They ensure that schools retain some degree of autonomy.

Similarly, in Ireland, one scheme applicable also to disadvantaged areas (Chapter 4, point I.A.1) enables schools to develop projects for which they can secure extra financing.

Under the *Breaking the Cycle Initiative*, resource allocations in cash can be awarded to primary schools in disadvantaged areas identified by the Educational Research Centre on the basis of socio-economic criteria. Selected schools in urban areas receive a maximum IEP 4 000 (around EUR 3 150) for projects they undertake. In rural districts, schools involved in the scheme are awarded IEP 1 000 (around EUR 788) for their projects. Grants are accompanied by advice and proposals regarding appropriate activities for expenditure. In addition, teachers may attend seminars on the subject concerned. At the end of the year, schools have to report on the way they have used their grants and are assessed by the central authorities. The money has to be spent on initiatives which take place within schools, such as arts projects, or outside them, as in the case of organized homework clubs.

In Italy, additional resources are awarded, in the form of teaching staff, to schools situated in so-called 'risk areas' provided they submit educational schemes likely to support the schooling of disadvantaged pupils. In addition, operational allocations from the government and municipalities, as well as fixed capital allocations from the municipalities, take account of the socio-cultural and environmental conditions of schools and the existence of schemes devised by them to fight absenteeism. At present, the attribution of teaching staff to each school by the Ministry of Education is partly determined by the existence of schemes for preventing and taking remedial action against school dropout and failure, as well as by indicators of an economic, socio-cultural and academic kind relating to the pupils at the school. One of these indicators is the number of foreign pupils. The additional staff resources have to be allocated in accordance with the scheme the school has established. However, the staff allocation as a whole is a global one. Since 1999/2000, areas have been clearly defined in terms of the socio-cultural characteristics of the school catchment area. The schemes for fighting school dropout are no longer financed by a share of the general teaching staff allocation, but by special forms of funding awarded in accordance with specific criteria.

Besides additional resources for schools in areas which are socio-culturally disadvantaged, there is another possible way of financing the special needs of target groups, which is related to school autonomy and the initiative of their teachers. Staff may initiate schemes designed to support the schooling of immigrant or socially disadvantaged pupils. Such projects receive special financial assistance in the form of salary bonuses awarded directly to teachers from a fund for improving educational provision and remunerating additional work. The bonuses are for overtime devoted to supplementary teaching activities (up to a maximum of six hours a week). The fund finances different kinds of remedial activity, but its allocations are increased for schools in areas with high rates of immigration and a high proportion of occupational travellers or similar itinerant groups in their population.

Schools offering the three stages of *ensino básico* in Portugal may submit special schemes requiring extra staff for the purpose of improving the performance at school of pupils from poorer families. These projects are analysed on a case-by-case basis by the *Direcções regionais de educação* (DRE) which decide whether additional staff will be allocated. Furthermore, schools involved in the TEIP programme may obtain additional operational resources, as well as an increase in staff, by submitting specific projects under national schemes such as the programme for health education, the Education for All programme *(Programa de educacão para todos)*, European clubs and the aesthetic enhancement of educational areas.

C.2. CENTRAL GOVERNMENT ALLOCATIONS FOR EDUCATIONAL ACTIVITIES DRAWN UP BY LOCAL AUTHORITIES UNDER A NATIONAL SCHEME

This method of awarding resources may be observed in Denmark, Sweden and the United Kingdom. In order to secure additional resources, local authorities in these countries have to submit plans for activity consistent with a national scheme. In some cases, they undergo an initial selection round on the basis of the socio-economic characteristics of their populations, such that only those authorities selected may submit proposals to the central level. Furthermore, municipalities in the countries concerned have to contribute to the financing of the activities described in this category, with the exception of the Scottish local authorities.

From 1994 to 1998 in Denmark, municipalities could submit educational projects to the government with a view to improving the education of bilingual children. Subsidies were awarded to municipalities on the basis of their proposals which they were also supposed to co-finance.

In Sweden, since the end of the 1990s, municipalities have been able to obtain additional educational resources under a special policy for the benefit of pupils from deprived municipal areas. The municipalities able to take part in this scheme involving so-called *Metropolitan Areas Initiatives* have been designated by the Commission on Metropolitan Areas. The general aims of the policy set out by the government have been to improve proficiency in Swedish among pupils for whom it is not the mother tongue, offer all pupils the chance to complete secondary education, and ensure that no pupil does so without a good knowledge of Swedish, English and mathematics. The municipalities selected have to state how they will go about achieving these aims in each of the areas concerned, following which they may be included in the scheme. One of the conditions for participation is that municipalities should contribute half the funding for the actions concerned. Their progress in implementing the Initiatives is to be assessed each year.

In the United Kingdom (England and Wales), there are several central government initiatives which provide additional resources to help schools overcome the educational effects of economic and social deprivation and/or the needs of minority groups and to raise pupil attainment. The *Grants for Education Support and Training* (the *Standards Fund* in England since 1998) provide funding for schemes which aim to support schools dealing with such problems and include, for example, schemes to improve attendance, behaviour and discipline at school and various schemes to raise the attainment of underachieving pupils, such as the setting up of study support centres, family literacy projects and summer literacy schools. The education ministries determine annually the type of scheme which will be supported, LEAs submit bids and plans for approval and normally provide 50% of the funds.

A new programme to fight school failure in England was introduced, alongside the *Standards Fund*, in September 1998. Under this programme, schools have been able to join forces within *Education Action Zones* and obtain funding to cater for particular needs. The EAZs aim to improve education in areas of social deprivation. Typically, the zones comprise local groups of some 20 schools, including two or three secondary schools and 17 or 18 primary ones, sometimes with a school for special education. Each Zone represents a partnership between businesses, parents, schools and LEAs. Applicants bid for EAZ status to the DfEE. Eligibility hinges on the characteristics of the area of the proposed zone (its unemployment rates, etc.) and of its school population (such as the number of pupils who receive free school meals, or the educational attainment of pupils). EAZs will normally secure some of their funding from the private sector. Each Zone sets its own targets and proposes its own strategies for raising educational standards within the framework set down by central government. While this implies that all EAZs are expected to give priority to numeracy and literacy, some go beyond formal school education, for example by setting up family literacy schemes.

In Scotland, a method of financing the particular requirements of pupils, known as the *Excellence Fund*, was set up in 1998 to provide funding up to the end of the 2001/2002 financial year. The general aims of this measure are to improve performance, raise standards and boost social inclusion in schools. Some of the initiatives concerned are targeted at pupils from socio-economically deprived areas. The measure focuses primarily on the prevention of pupil exclusions, study support, support for literacy and numeracy in the early years of primary education, support for the in-service training of teachers, reduction of class sizes and the purchase of ICT (information and communication technology) equipment. Under the measure, local authorities have to submit an application drawing up a plan of activity incorporating the areas of concern in the national scheme on which they want to concentrate. They have to involve schools in their activity from the outset. Plans require approval from the government and resources are then awarded to local authorities in the form of a cash allocation for staff, equipment and capital assets (movables) which they in turn distribute to schools. This method of funding has to be flexible enough to meet local needs.

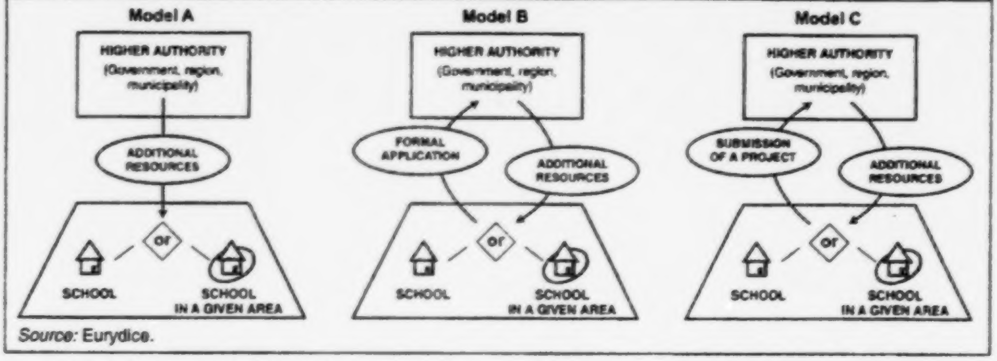
D. THE ROLE OF THE SCHOOL IN SECURING ADDITIONAL RESOURCES

In the three previous sections of the present chapter, methods of awarding additional resources to schools were analysed in detail. The criteria governing access to them and the degree of flexibility granted to schools in making use of them were the main focus of the major categories adopted for comparative purposes. The kinds of resources financed (staff, operational resources or global allocations) and the uses for which they are intended (special classes, action schemes, etc.), as well as the levels of authority that award them, were also an integral part of the analysis. It is clear from this analysis that the part played by schools in obtaining these resources varies from one country and/or resource category to the next.

This short summary section is especially concerned with different scenarios reflecting the varied extent to which schools have to take the initiative in order to secure these additional resources. Three main models may be identified and they are illustrated in diagrammatic form in Figure 4.5. They are not exclusive and may exist alongside each other within a given country. Whether one or other model is adopted may depend on the level of education, or the kind of provision or scheme being implemented.

The diagrams do not take into consideration the kind of resources awarded or the autonomy of schools regarding their use. Neither do they draw a distinction between the various administrative levels (such as central government, region or municipality) that award them. All such levels are placed together under the heading of 'higher authority', even in countries in which municipalities play a leading part in securing funding and work closely with the schools for which they are responsible.

FIGURE 4.5: ROLE OF THE SCHOOL IN OBTAINING ADDITIONAL RESOURCES, 1997/98



Source: Eurydice.

In model A in Figure 4.5, the higher authority awards special resources as a matter of course to schools which conform to the required criteria as regards the social and/or school performance characteristics of the pupils who attend them, or of the population in their surrounding area. Here, schools are not involved in decisions regarding the allocation of resources, but they sometimes have to supply information about their pupils which is related to the criteria established by the higher authority.

In model B, a scheme or set of special initiatives for a target population is devised by a higher authority. Schools wishing to take part in it and obtain the resources needed to implement it have to make a formal application or become involved on a voluntary basis.

In model C, the higher authority awards special resources to schools which have drawn up their own particular projects. These proposals have to be submitted to the authority which then decides whether their aims and content comply with the criteria on which funding depends.

In the three models, the schools entitled to these additional resources either enrol pupils representative of a certain kind of target population, or are located in areas whose characteristics are defined in advance. It is for this reason that the two sets of circumstances are shown in the diagrams.

Overall, the examination undertaken in this first part of Chapter 4 reveals that the most commonly encountered model for the allocation of additional resources is model A, in which they are awarded automatically if certain basic conditions are satisfied. This occurs in the majority of countries.

Among the possible advantages of procedures under which securing resources is dependent on projects drawn up by schools may be cited the fact that teachers and other staff concerned with education as such are best placed to identify the special requirements of the pupil intake with which they have to deal and decide on the aims they should pursue as a result. In this case, it is for each individual school to describe the activities it wishes to carry out in order to achieve its objectives, and approach the higher authority to obtain the necessary resources. This issue has to be viewed in conjunction with the discussion on school financial autonomy (see Chapter 2). In any event, such arrangements imply that the school heads and teaching staff who devise the projects concerned are sufficiently available and possess the required skills.

It so happens that the few countries which have set up a system for awarding resources which is dependent on the submission of school projects have in most cases limited it to schools in socially deprived areas.

As a result, the award of additional funds following the acceptance of projects drawn up by the teaching staff of a school depends on two considerations. The first is the identity of the area in which the school is located, while the second hinges on whether or not it actually applies for these extra resources. The consequences and likelihood of stigmatization associated with the first aspect are discussed at length in Chapter 4, point II.C. The second aspect has to do largely with the ability of teachers and educational staff to diagnose the particular needs of their school population and to implement procedures for obtaining the funding required.

BEST COPY AVAILABLE

II. HISTORICAL AND CONTEXTUAL ANALYSIS

It was in the 1980s and 1990s in particular (Figure 4.6) that many EU and EFTA/EEA countries introduced additional funding for certain groups of pupils in order to counter considerable social and cultural inequalities. Many countries were confronted with a heterogeneous population whose differing needs were reflected in a whole range of expectations vis-à-vis education. European countries decided to allocate supplementary financial resources in order to respond to particular expectations deriving from social or ethnic background.

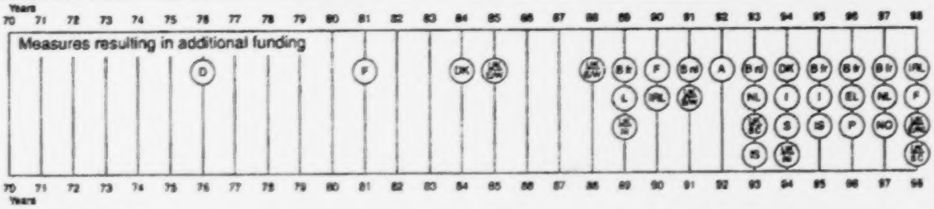
This second section of Chapter 4 examines the aims and circumstances accounting for the introduction of these additional forms of funding. Chapter 4, point II.A deals with the general aims underlying them. Chapter 4, point II.B examines how they relate to the financing of general resources for schools, with special attention drawn to countries that use distinct channels of funding for such additional support.

Finally, Chapter 4, point II.C analyses a financing procedure in which the award of resources requires that recipient schools should be situated in socially deprived areas. This final method of funding is discussed because its effectiveness and its possible implications for certain social problems – such as the formation of ghettos at schools in disadvantaged urban areas – are the subject of some controversy.

A. AIMS OF ADDITIONAL FUNDING

As emphasized in the first section of Chapter 4 which describes the situation in 1997/98, not all countries decide in the same way which schools should receive extra resources. Similarly, the aims underlying this supplementary provision have been subject to differing influences to be examined in this section. It should be pointed out that policies for additional funding based on social attributes are sometimes part of more general strategic aims deriving from the overall philosophy of the education system. Furthermore, school needs linked to the social characteristics of pupils are sometimes associated, in national or regional legislation, with special educational needs and with the right to receive instruction in one's native language.

FIGURE 4.6: DATES OF THE MAIN MEASURES THAT LED TO THE AWARD OF ADDITIONAL RESOURCES TO SCHOOLS WITH PUPILS COMPRISING SPECIAL TARGET POPULATIONS BETWEEN 1970 AND 1998



Source: Eurydice.

Additional notes

Dates taken into account refer to reforms which resulted in officially approved additional funding. By contrast, periods in which only pilot projects existed are not indicated.

Sweden: A new policy for disadvantaged neighbourhoods, including a compulsory education component, was introduced in 1999.

United Kingdom (E/W/NI): Extra allocations to schools attended by a certain number of disadvantaged pupils existed well before 1988 as a result of initiatives on the part of the LEAs or *Boards*, but it was in that year that they were incorporated into LMS norms. *Section 11* grants for the benefit of ethnic minorities were introduced in 1966.

BEST COPY AVAILABLE

Three major objectives may be identified, namely improving performance at school, ensuring that schools offer equivalent provision to all, and ensuring that children of immigrant origin are properly integrated.

In the French and Flemish Communities of Belgium, France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom, additional resources are awarded to improve attainment by all pupils at school, and are part of the general aim of securing equality of opportunity.

In Denmark, Sweden and Norway, resources earmarked for certain categories of pupils enable each pupil to benefit from an equivalent form of schooling (¹). In other words, schooling is geared to the needs of individual pupils, so that those with identical needs have to receive the same education.

In Germany, Greece, Luxembourg, Austria, Finland, the United Kingdom (England and Wales), Iceland and Liechtenstein, measures to finance provision for pupils from an immigrant background represent an extension of the political will to integrate such children. In addition, the desire to integrate pupils of foreign origin into the education system often aims to ensure broader equality of opportunity for this target group by improving their performance at school.

FIGURE 4.7: MAIN AIMS UNDERLYING ADDITIONAL FUNDING AWARDED TO SCHOOLS WITH PUPILS COMPRISING SPECIAL TARGET POPULATIONS BETWEEN 1970 AND 1998

BOOSTING ATTAINMENT AT SCHOOL	EQUIVALENT EDUCATIONAL PROVISION/ SCHOOLING GEARED TO INDIVIDUAL NEEDS	DESIRE TO INTEGRATE THE IMMIGRANT POPULATION BY IMPROVING SCHOOL PERFORMANCE
B fr, B nl, F, IRL, I, NL, P, UK	**DK, S, NO**	**D, EL, L, A, FIN, UK (E/W), IS, LI**

Source: Eurydice.

A.1. IMPROVING PERFORMANCE BY ALL AT SCHOOL

Supplementary funding policies along these lines are based on awareness of the fact that part of the school population experiences difficulty at school because of the social or ethnic background of the children concerned. In the course of efforts to improve school performance, it is recognized that these pupils in effect suffer discrimination. Because, under these circumstances, equality of opportunity is compromised, special initiatives have to be undertaken on behalf of these pupils so that they can adapt education to their particular needs.

Furthermore, additional resources have been awarded to disadvantaged groups in the hope of improving their attainment at school. It should be emphasized that, in some countries that pursue this aim, the cost represented by pupils who repeat a year at school is a critical issue calling for concrete measures, in the same way as the cost of school dropout. This is why, in some cases, the criterion used to assess the curriculum is real improvement in standards of attainment.

In the French Community of Belgium, widespread support for injecting additional resources into the education of certain groups of pupils became apparent in 1989. It looked to a model already experimentally tested in France, involving positive discrimination at schools situated in certain clearly defined areas. The aim was to ensure that, by earmarking additional resources for children from working class backgrounds, they would benefit fully from the education to which they were entitled. The thrust of the initiative involved recognizing the socio-cultural identity of these children and responding to the way they went about learning, by means of various appropriately adapted methods of teaching.

Next, the allocation of additional resources for priority schools (²) was formally provided for in two decrees of 1995 and 1997, respectively. The first sought to introduce an active policy for fighting school failure, by gradually reforming basic education over a ten-year period so that it came to be provided in stages and was geared to the learning ability of individual pupils. The same system was intended to minimize the practice of pupils repeating a year and prevent it from becoming a way of

---

(¹) Equivalence in school provision is distinct from a strictly egalitarian model of education, aimed at offering the same educational service to all.

(²) It will be recalled that these schools have to comply with objective criteria, including the number of pupils lagging significantly behind, the number of foreign pupils, and location in areas that are socio-economically deprived.

managing learning. Resources awarded to priority schools were meant to ensure that all had the same opportunities to boost the performance of their pupils. The second decree of 24 July 1997 set out the fundamental goals of basic (pre-primary and primary) education and secondary education, and specified the organizational arrangements required to achieve them. In particular, it enabled the social and cultural background of pupils to be taken into account so that they all had the same opportunities to achieve social, occupational and cultural integration (article 11). This aim was formally articulated with the adoption of the decree on positive discrimination, which granted resources to those most in need.

Meanwhile, in 1996, the Minister of Education in the French Community of Belgium also identified as a target population, pupils whose mother tongue was not French, or who experienced difficulty in adjusting to their education, and decided to award extra 'teacher-periods' to the schools which enrolled them. The aim of achieving satisfactory school attainment in the French Community of Belgium has been reflected in the establishment of the Observatory for Positive Discrimination Policies, in accordance with the decrees of 1995 and 1997 aimed at stepping up oversight of the resources awarded. The inspectorate is also involved in the work of this Observatory.

In the Flemish Community of Belgium, the aim of the priority education policy (the *Onderwijsvoorrangsbeleid*) and the preparatory classes, both introduced in 1991, as well as the *Zorgverbreding* programme introduced in 1993 for children in the first two years of primary education, was to ensure equal opportunities at school, specifically for all pupils undergoing compulsory education. Inequality of opportunity with regard to education was highlighted by growing comparison between schools, which fuelled the determination to improve the poor performance of some of them, and also by an OECD study revealing high retake and school failure rates. As these results were partly linked to the linguistic difficulties of foreign or refugee pupils, the programmes initiated in 1991 and 1993 sought to respond to the particular needs of such pupils, but they were also focused on pupils from disadvantaged backgrounds. For immigrant or refugee children, the concern for integration was behind reforms. The priority education policy was also a way of structuring and coordinating the approach of various existing initiatives in order to optimize education provision for immigrant children.

In a broader perspective, the priority education policy was part of a general movement for solidarity which became widespread during the 1990s and was inspired by the need for structural reforms to fight poverty and social exclusion. In the field of education, an essential aim was to create closer links between school and society, by improving communication between parents and the school, as well as between the school and those in the wider community likely to be involved in integrating immigrant or refugee children. Equally important was the anti-discrimination declaration signed in 1993 by the representatives of both public- and private-sector administrative bodies, which encouraged schools to apply a non-discrimination code in all areas of education. As part of the priority education policy, the declaration specifically sought more equal representation of pupils of foreign origin at all schools in the region and the introduction of intercultural education as a way of tackling discrimination.

In order to encourage better school performance in Belgium (Flemish Community), research has been conducted to develop new allocation criteria making additional subsidies conditional on their real effectiveness in increasing the chances of school attainment among the target group, as well as their effective use for the benefit of the target populations concerned.

In France (¹), the ZEPs reflect awareness that social and cultural inequalities call for a different kind of approach implying more resources, but also resources of a different kind. The ZEPs were established in 1981/82 in order to fight school failure and social inequalities and help provide effective schooling for as many children as possible, especially in primary schools and *collèges*. They also demonstrate the desire of the local community to be involved in this effort. ZEP policy was strengthened in 1990 when its stated aim became to boost the school attainment of all pupils, particularly in disadvantaged areas (Circular of 1 February 1990). The ZEPs were redrawn for the second time in 1998, since when there has been increasing emphasis on the need to offer the best provision for those who have least.

Since the 1970s in Ireland, additional resources have been allocated to schools, in particular to support certain groups of pupils in difficulty at school and boost equal opportunities. In the 1980s, the principle of positive discrimination was adopted and led to staff allocations. A 1991 study revealed that schools were in the throes of a serious financial crisis, and that public revenue for their operational

---

(¹) Chauveau, G. 'Les ZEP, entre discrimination et discrimination positive'. *Mouvements*, No. 5, 1999, pp. 62-70.

activity was inadequate. It was therefore decided to increase the share of public financing of schools, and to target available resources on disadvantaged pupils which, in turn, has led to the introduction of various programmes for their benefit. The healthy economic climate since the early 1990s has enabled the public authorities to earmark increased resources for education and set up these programmes of support for primary and/or secondary schools enrolling disadvantaged pupils (including the Disadvantaged Areas Scheme, *Designated Areas* scheme, *Home/School Liaison* scheme and the *Breaking the Cycle Initiative*).

Since 1998/99, resources have been channelled towards target groups as a part of specific programmes to fight school dropout (the *8-15 Year Old Early Leavers Initiative*), or to encourage continued schooling after obtaining the lower secondary school certificate.

In Italy, awareness that there were disadvantaged pupils in educational terms dates from the 1960s and 1970s. However, additional funding introduced in that period was not very effective. From 1988 onwards, the Ministry of Education launched pilot projects which took their cue from the French ZEPs. The aim was to identify disadvantaged areas using statistical indicators relating to buildings and pupils who failed at school or had to repeat their year of study. The idea was to arrive at a methodology that could be applied throughout the country. From 1988 to 1993, the number of areas in question was extended, and the scheme gradually became the focus of national legislation.

In 1994, the Ministry decreed that the provincial bodies responsible for allocating staff to schools had to take account of economic, academic and socio-cultural indicators relating to pupils. Additional allocations were awarded to schools that enrolled pupils from socially deprived areas. The general aim was to make integrated arrangements at national level for the prevention of school dropout, and the Ministry encouraged the *provveditori agli studi* to set up provincial observatories concerned with dropout. It was intended that the *provveditori* should identify catchment areas at risk from the educational standpoint, lay down priority objectives and award additional teaching staff resources to all schools in each area concerned, either individually or in a collective global allocation. The special responsibilities of teaching staff employed in accordance with these arrangements were drawn up gradually. Under the terms of the most recent 1998-2001 agreement on school staff, some of these teachers are being allocated to handle the specific problems of schools located in areas vulnerable to social alienation, juvenile crime, and with a rate of school dropout above the national average. Resources are being awarded for specific purposes on the basis of projects submitted by schools.

In Italy, another method of awarding additional resources was organized as part of general changes in procedures for funding staff resources, which were amended in 1995 in the context of the Public Services Charter introduced in the same year (1). Additional activities designed to meet the needs of all pupils were organized by schools which, in accordance with new salary arrangements, were to receive money for compensatory bonuses. Among the former were activities for pupils from socially deprived backgrounds. A Fund for Improving Educational Provision and the Remuneration of Supplementary Activity has existed since 1996 to cover the bonuses (2). These have been fixed under the 1995 employment contract for teachers, and paid once the special school activities have been carried out. The ultimate aim of these arrangements is to ensure that the model of educational provision offered to users is fully visible and transparent. The more general context underlying the new method of remuneration is a rationalization of resources.

In the 1990s in the Netherlands, it was recognized that a multicultural society like the Dutch one required supplementary funding for its primary schools if pupils from all social backgrounds in schooling were to have equal opportunities. There was also the determination to fight the negative consequences of school failure for pupils from socially deprived backgrounds. Finally, the integration of pupils of foreign origin was one of the aims of introducing supplementary educational provision. As part of the government's priority education policy between 1993 and 1997, additional resources were allocated to schools in areas in which the socio-economic level of the population was low, or where the latter constituted an ethnic minority. The award of resources was tied to the setting up by schools of programmes concerned primarily with foreign pupils' learning of Dutch, as well as of their native language, the prevention of school dropout, and cooperation between schools in the same area for the purpose of implementing such schemes. An increasing number of initiatives have since been developed for supporting the schooling of pupils from 'groups at risk', with special attention devoted to transition periods.

---

(1) For detailed information on the Public Services Charter, readers should consult Chapter 2.

(2) As pointed out in Chapter 4, point I.C.1, allocations from the Fund are increased for schools in areas with high rates of immigration or a high proportion of itinerant groups, so that teachers at the schools concerned can develop more activities for pupils corresponding to those categories.

Since 1996/97 in Portugal, the Ministry of Education has introduced various methods of awarding additional teaching staff and operational resources to boost the likelihood that pupils will perform soundly at school, and to fight school dropout, as in the case of the TEIP programme and the projects schools can submit to the DRE. These measures were adopted when ghettos began to form in the biggest urban areas of Lisbon and Porto, but also following the emergence of problems linked to cultural exclusion. The formation of disadvantaged areas in cities is the result of internal migration (a rural exodus occurring alongside steady urbanization) and an increase in immigration from Portuguese-speaking African countries. One of the first action initiatives has been the programme known as *Entreculturas* aimed at integrating pupils of African origin. The geographical action area of the programme has been incorporated within the TEIP. The aim of ensuring that all pupils complete nine years of basic education has involved a drive to improve school attainment and reduce school dropout during the first stage of *ensino básico*, especially in risk areas.

Under LMS in the United Kingdom (England, Wales, and Northern Ireland), most LEAs or *Boards* award additional resources to schools using a variety of indicators such as, for example, the number of pupils who receive free school meals. Before the 1988/89 reforms, it was common practice to give improved staffing ratios to schools in relation to the number of socially disadvantaged pupils. LMS incorporated existing local practice into the national framework. Furthermore, since 1998, the EAZs have been introduced by the government in England to combat underachievement at school. Their general aim is to improve educational attainment rates by targeting pupils from socially deprived areas. The existence of this target group has been highlighted by the collection and publication of information on pupil attainment in each school under the former Conservative government, as well as by the new system of inspection dating from 1992. The publication of results and the comparisons to which it has given rise have revealed the extent of pupil underachievement in certain schools and areas, and have recently led to extra funding being made available in England under the EAZ programme. However, additional resources for schools with disadvantaged pupils have been available for many years not only under LMS but also, in England and Wales, under grants for ethnic minority pupils (included in *Section 11* since 1999) and the *Grants for Education Support and Training* (GEST) originally known as *Education Support Grants* and, since 1998 in England, the *Standards Fund*. In Northern Ireland the equivalent programme to the GEST is the School Improvement Programme introduced in 1998. It has several components including the *School Support Programme* which replaced the *Raising School Standards Initiative* begun in 1994/95. The aim of all these initiatives is to improve educational attainment generally and, where relevant, counter the negative effects on pupil's education resulting from social and economic disadvantage.

In Scotland, local authority procedures for awarding staff and operational resources to schools, in accordance with DSM, take certain social circumstances into account. In addition, local authorities may apply for further resources from the *Excellence Fund* to assist their schools to meet targets, raise standards and promote social inclusion. The *Excellence Fund* was established for the period from 1998 to 2001/2002.

A.2. EQUIVALENT PROVISION IN EDUCATION

In three countries, the financing of special educational requirements is not associated with the identification of a target group of pupils who have required special support at school. In Denmark, Sweden and Norway, the needs of pupils (whatever they may be) are accommodated within educational provision as the result of a general belief that schooling should be geared to the individual requirements of each pupil. Any measures targeted at a particular group of pupils, whether those of immigrant origin, from disadvantaged social backgrounds, or with special educational needs, derives from this general conviction.

In Denmark, additional funding was awarded to schools from 1984 onwards via the compensatory Intermunicipal Scheme, following an increase in immigration. Since then, municipalities have been obliged to offer support to individual pupils on the basis of a personalized assessment of their needs. Besides learning Danish, bilingual pupils with particular requirements may be able to obtain resources, depending on the results of this assessment. In its desire to ensure 'equivalent education', bearing in mind the special requirements of bilingual pupils, the government unlocked DKK 100 million (around EUR 13 million) for the period 1994-98, to improve provision for them.

In Sweden, the special support which has to be offered pupils by the municipalities (remedial teaching for those who have learning difficulties, Swedish language lessons for pupils of immigrant origin, logistic support for children with special educational needs) derives directly from the general aims of compulsory education which led to a major reform of compulsory education curricula in 1994. While this reform broadened the autonomy of municipalities from the educational and financial standpoint, it established that 'equivalent' education did not mean the same education for all, or that schools all had to receive the same volume of resources. Instead, account had to be taken of pupils' varied needs. Education thus had to respect one of the basic principles of the Education Act, which was that everyone is entitled to an equivalent education, irrespective of the sex, social or ethnic background, or place of residence of the person concerned. The big influx of refugees that occurred at the start of the 1990s doubtless helped speed up implementation of 'equivalent education'. Similarly, at the end of the 1990s, the government became aware that not everyone had been similarly affected by the unemployment and economic crisis of the preceding years. It realized that the foreign population was most affected by adverse economic circumstances and that it was especially dense in certain urban neighbourhoods known as 'deprived areas'. The government sought to replace the economic, social and ethnic segregation of the cities with equality. This was the starting point for the *Metropolitan Areas Initiatives*, a special policy whose aim has been to improve living conditions in disadvantaged neighbourhoods, particularly where employment and the environment are concerned. The Initiatives contain an educational component, mainly for the benefit of pupils from an immigrant background.

In Norway, grants allocated for supplementary education for pupils of immigrant origin, special education, and remedial teaching for some pupils have moved in step with the development of Norwegian legislation. This has shifted from a focus on mandatory uniform provision to the desirability of ensuring that education is geared to the abilities and needs of each pupil. The aim now is to ensure that all pupils, irrespective of any mental or physical handicap, or learning difficulty, are as far as possible catered for in mainstream compulsory education. Similarly, pupils from minority groups should have the same opportunity to do well at school as Norwegian children. It is against this background that their particular needs are addressed.

The foregoing approach to education is a development that sets these three countries somewhat apart from the other Nordic countries. The latter firmly defend the principle of egalitarian provision, seeking to offer the same education to all pupils, and to overcome any individual, economic or geographical inequalities that might stand in the way of this.

A.3. THE DESIRE FOR INTEGRATION

The wish to integrate immigrant pupils into mainstream educational provision and, indeed, society as a whole, is also a reason for the award of additional resources to schools, generally in a context in which immigration occurs on a substantial scale.

In Germany, educational policies for the benefit of foreign pupils were introduced following the successive influxes of immigrant foreign workers which started in 1955 and continued throughout the 1960s. In the 1970s came measures to support the schooling of foreign pupils. Under the terms of the recommendations in the resolution of the Council of Ministers of Education and Cultural Affairs of 8 April 1976, the *Länder* diversified action to enable pupils of foreign origin to achieve satisfactory results at school (with the support of extra German-language tuition) and, at the same time, to enable them to readjust to the education system of their native country (through lessons on their native language and culture).

Since 1996, Greece has taken formal steps to cater for other cultures in its educational provision. It has introduced programmes backed by additional resources for children of foreign origin, repatriated Greek children, children from Islamic backgrounds and the children of travellers, occupational travellers and similar itinerant groups. Politically, the aim is to ensure equality of opportunity and the development of a peaceful multicultural society by integrating increasing numbers of immigrants.

In Luxembourg, several measures were implemented at the instigation of the Ministry of Education, particularly between 1989 and 1995, with a view to integrating immigrant children more effectively into schools.

In Austria, additional resources were earmarked for pilot projects for immigrant pupils from the 1970s onwards. There was increasing awareness in educational and political circles that immigrant or refugee children would attend schools into the foreseeable future. In 1992/93, therefore, it was decided that legislation was required to accommodate the special requirements of this target population within the general education system. Various pilot projects were thus incorporated into primary, secondary, special and pre-vocational education (see Chapter 4, point I.B.1) and an official method of allocating resources was drawn up. The aim was not merely to integrate pupils who experienced learning difficulties as a result of their background, but to boost their performance at school and offer them teaching geared to their individual needs.

Special government funding for the municipalities in Finland was introduced during the 1990s to cater for the particular needs of immigrant and refugee pupils. Besides seeking to encourage their integration into compulsory education, it was also intended to support the teaching of their native language or further the linguistic ability of repatriated Finnish pupils. These arrangements for funding came in the wake of growing immigration which resulted in considerable municipal expenditure. Its purpose was to enable municipalities to provide a form of education appropriate to these particular target groups.

Under the Local Government Act in the United Kingdom (England and Wales), additional funding (under the so-called *Section 11* grants category of the Home Office) was introduced for the benefit of ethnic minorities in 1966. This measure has to be seen in the context of substantial immigration, and was intended as a response to the special requirements of pupils for whom English was not the mother tongue. In 1999/2000, in England, responsibility for these *Section 11* grants, now known as *Ethnic Minority Achievement Grants*, was transferred to the DfEE and the Welsh Office (now the National Assembly for Wales). It is intended that the grants should contribute to efforts to improve school attainment in general and, more particularly, to the fight against social exclusion. Within this new context, ethnic minorities are considered as groups at risk whose performance at school has to be boosted in a way consistent with equality of opportunity.

In Iceland, special resources for pupils of immigrant origin were introduced mainly in the 1990s when the number of immigrants sharply increased. In 1992, the Minister of Education set up a special commission to organize education for them. The main aims were to teach them Icelandic as a second language, help them to adapt to Icelandic society and enable them to attend schools in Iceland. In 1993, additional government funds were made available to reorganize school provision for immigrants, and carry out experimental activity. An item in the 1995 legislation on compulsory education dealt with the rights of immigrant children, and especially the right of pupils for whom Icelandic was not the mother tongue to receive special instruction to help them in its use.

In Liechtenstein, *Integrationskurse* (the programme for integrating immigrant pupils, in which 7% of primary schoolchildren are involved), was inspired by educational and organizational considerations underlying arrangements for the gradual integration of such pupils. The government has remunerated the teachers or bought the equipment required.

To sum up, the introduction of additional funding throughout the various countries is very often linked to their experience of immigration, which varies considerably. A healthy economic situation in Ireland and the Netherlands has also made it that much easier to provide additional resources. In the Flemish Community of Belgium and the United Kingdom, certain policies for additional funding have involved a comparison of school performance.

B. ADDITIONAL FUNDING AND DECENTRALIZATION

Given the extent to which most EU and EFTA/EEA countries have taken action to decentralize decisions relating to the funding and management of educational resources, it makes sense to consider whether the award of additional resources on the basis of social attributes has also been decentralized. This involves considering how methods used to provide additional funding for schools during the reference period have changed in comparison with those used for the allocation of general resources, and then examining countries in which the two kinds of support reach schools in different ways.

In France and Italy, the level of decision-making for some additional resources is more decentralized than that of decisions on general resources, in the sense that schools have to take the initiative if they are to obtain the resources they need to lay on supplementary provision. In both countries, the amounts concemed are established at central level.

While in the Netherlands the government determines the scale of additional resources awarded to schools, decisions regarding their use are less decentralized than in the case of general resources. This is because decisions about the use of additional resources are taken by the municipalities whereas schools themselves administer the use of general resources.

In Finland, Iceland and Norway, the financing of certain additional resources has remained centralized, as regards both the amounts to be allocated and the schools selected for support. Yet these three countries have introduced measures to decentralize the financing of general resources for schools.

All the other countries allocate all or some of their additional resources for pupils from specific target populations in the same way as in the case of general resources. In three of them, Denmark, Sweden and the United Kingdom, the funding of additional resources has been addressed in a major reform of the general financing of education.

B.1. THE METHOD OF FUNDING ADDITIONAL AND GENERAL RESOURCES HAS REMAINED SIMILAR

This situation is encountered in most European Union and EFTA/EEA countries. However, in Denmark, Sweden and the United Kingdom (England and Wales), it is especially interesting to consider the way in which the method of funding additional resources has changed in tandem with the method employed for general resources, in order to show how the fomer has come fully within the scope of major reforms of resource allocation procedures in the field of education.

From 1975 onwards in Denmark, the former reimbursement system was replaced by a global allocation earmarked for all local authority services, on the basis of various objective criteria (see Chapter 2, point III.A). Later, in 1984, additional funding was awarded in accordance with the same principle. The number of pupils of foreign origin in a municipality determined its allocation under the Intermunicipal Scheme, which was incorporated in its general budget.

In Sweden, from 1993 onwards, the government awarded the municipalities a block grant covering various public services instead of specific allocations for each school, as formerly. The new grant contributed to a more level playing field in so far as it was calculated with due regard for socio-economic and other disparities between municipalities which then drew up their budgets as they wished. They were similarly free to decide the form in which they would fund activities to meet the particular requirements of certain pupils, in accordance with an obligation placed on them in 1994.

In the United Kingdom (England, Wales and Northern Ireland), the funding of additional and general resources for education has reflected a growth in the influence of the central government vis-à-vis the LEAs or the *Boards* in terms of either funding or decision-making power in the determination of how resources are used. As far as the latter is concemed, schools may also be affected.

Before 1988, the procedure under which the LEAs and *Boards* allocated additional resources to schools with pupils from socio-economically disadvantaged target groups was *determined* entirely by these authorities. Arrangements were then formalized within the national framework for LMS drawn up by central government. In 1985, local programmes and initiatives which targeted problems arising from social disadvantage (among others) were supplanted in England and Wales by the centralized Education Support Grant (ESG). The purpose of the ESG was to encourage LEAs to redeploy a limited amount of expenditure into activities which met national rather than local priorities. The process was reinforced in 1991 with the creation of the GEST (an amalgamation of ESG with a scheme for training grants). Since 1998 in England, the GEST have been renamed the *Standards Fund.* As well as increasing central government influence in school funding decisions, LMS also entailed the delegation of decision making power to school level. This trend can also be identified in the recent reform of the *Section 11* grants for ethnic minority needs which are now known as the *Ethnic Minority Achievement Grants.* This reform has allowed for greater discretion for schools over the use of funding which was previously held centrally by LEAs. The establishment of the EAZs in England in 1998 reinforces central government attempts, over many years, to involve the private sector and other local interests in the management of education and could be seen as part of the trend to reduce local authority power. However, in effect, although LEAs are sharing duties with other local players, in most EAZs they are the major partner.

B.2. DECENTRALIZATION TO MUNICIPALITIES OF ADDITIONAL RESOURCES MANAGEMENT ALONGSIDE GENERAL DECENTRALIZATION OF MANAGEMENT TO SCHOOLS

From 1985 onwards, schools in the Netherlands, particularly in secondary education, gradually secured greater autonomy in managing their resources, whereas decisions relating to the general volume of public-sector resources for staff and operational goods and services became steadily more centralized (see Chapter 2). The management of additional resources was decentralized to the municipalities in 1997 following the publication, in June 1995, of a memorandum whose top priority was to fight educational disadvantage and reinforce cooperation between schools and other social institutions. The municipalities were thus expected to make a decisive contribution to a comprehensive strategy geared to this end. So that they could coordinate the activities of the various organizations involved, they were made fully responsible in 1997 for the financial management of activities intended to tackle educational disadvantage, under the *Gemeentelijk Onderwijsachterstandsbeleid* (municipal compensatory policy). Since then, they have administered and taken decisions relating to budgets for the provision of guidance, the learning of Dutch as a second language, priority education areas and teaching pupils from ethnic minorities their mother tongue.

The government that took office following the 1994 elections stated its intention of improving the quality of education by using decentralization to make schools more receptive to needs associated with a multicultural society, internationalization, and the preservation of diversity and individuality. However, as far as support for certain groups of pupils was concerned, it sought to strengthen the position of the municipalities rather than school autonomy. It considered that educational and social policies were very closely interrelated and that the municipal authorities were far better placed than central government to respond to changes in society. Social groups at a disadvantage where education was concerned, such as ethnic minorities, demanded highly integrated educational and socio-economic policies. Local authorities were perceived as being ideally placed to know what steps had to be taken to offer all pupils the same opportunities in education, and help them obtain a basic qualification. The growing proportion of pupils from minority groups called for measures that differed depending on the municipalities and areas concerned.

B.3. DECENTRALIZED RESPONSIBILITY FOR SPECIAL PROGRAMMES WHERE FUNDING HAS GENERALLY REMAINED CENTRALIZED

In France, the government awards additional resources as a matter of course to schools located in **ZEPs**. However, it may also grant schools allocations following the submission of projects by them, effectively asking them to take the initiative in applying for and managing extra resources themselves.

In Italy, since the 1990s, responsibility for launching supplementary activities intended to satisfy the requirements of pupils has become highly decentralized, in line with the broader responsibilities of schools in determining the nature of educational provision as a whole. Thus under the national collective employment contracts (for 1994-97 and then 1998-2001), the financing of additional resources was tied to the introduction by teachers of additional activities to cater for these needs. As already explained in the descriptive part of this chapter, the funding concerned goes not to the schools, but to the teachers themselves in the form of wage bonuses. Nevertheless, decisions on the amounts of funding and, where applicable, on further contributions from the Fund for Improving Educational Provision and the Remuneration of Supplementary Activity – as in the case of schools in areas with a high rate of immigration or a high proportion of occupational travellers and similar groups – have remained centralized and are taken in agreement with the teachers' union.

In both France and Italy, the aim of the decentralization referred to above is that the supply of additional resources should be better geared to the variety of expectations and needs. Decentralization should enable those responsible for decision-making to be close to the location in which needs are apparent and to address them as effectively as possible.

B.4. CENTRALIZED DECISION-MAKING ON ADDITIONAL RESOURCES WHERE DECENTRALIZATION IS THE NORM

In three Nordic countries (Finland, Iceland and Norway), the clear intention has been that central government should remain responsible for financing additional resources, although general resources for schools are funded primarily by the local authorities. The responsibility exercised by central government itself in distributing supplementary resources may be perceived as a way of compensating for the inequalities to which decentralization gives rise. While it is true that decentralized funding of general resources brings the authority which makes them available closer to the schools in which needs arise, it may compromise fairness, partly because of differences between municipalities in the amounts of their resources but, above all, because local authorities have different educational policies.

Although financing of education in Finland was decentralized to some extent in 1993 (see Chapter 2), the government continued to provide the municipalities with cash allocations for special purposes. The government allocates a series of subsidies to the municipalities for distribution to schools, in order to support the teaching of pupils who are of immigrant origin or refugees. These subsidies thus constitute a distinct (more centralized) method of funding than in the case of general resources intended for schools.

In Iceland, decentralization of responsibility to the municipalities for the financing and management of educational resources occurred in two stages, covering the period from 1989 to 1996 (see Chapter 2). Government allocations to the municipalities in this country were not incorporated into the resources intended for all other public services. The municipalities have received a variety of allocations from the government, including the amount corresponding to the Municipalities Equalization Fund. Resources for teaching pupils of immigrant origin have been a special part of the teaching staff allocation which has been made available to them by the Fund, and has had to be used for that specific purpose. Although many decisions relating to the financing of staff have been decentralized, the government continues to divide up resources for education into separate categories, one of which is meant to support supplementary teaching activity for pupils of immigrant origin.

Finally, in Norway, the decentralization of 1986 led to municipalities being paid general allocations to cover all public services for which they were responsible (see Chapter 2). Decentralization was meant to ensure that education matched the individual needs and abilities of pupils and was in keeping with the school environment, but that the same kind of education was no longer offered to all pupils. Yet there is a conflict between the desire to transfer financial responsibilities to local level and concern for the provision of equivalent education, which implies that pupils with the same needs receive the same education in different municipalities. Since decentralization, municipalities have been able to attach different priorities to similar groups of pupils. These disparities have been thrown into particularly sharp relief by the resources that they earmark for special education. In 1996, the proportion of pupils receiving education of this kind varied widely depending on the municipality concerned, and differences were apparent in the way resources were used. Since then, and in spite of the fact that they have been responsible for awarding allocations for special purposes (including special education, Norwegian language lessons, and other activities), municipalities have received special subsidies from the Ministry to cater for pupils from minority linguistic groups. These subsidies are separate from the general allocation to municipalities for all services they provide. This may be interpreted as a way of ensuring that central government retains control over the funding of certain pupil requirements. In the conflict between the efficiency that results from decentralization and the need to ensure that all pupils receive an equivalent education, the special allocation for immigrant children shows that, in this specific instance, priority has gone to the latter.

C. THE 'PRIORITY AREA' CONCEPT

The European Union Member States and EFTA/EEA countries identify which of their schools should receive special financing in two main ways. Some countries use both combined. The first involves identifying the presence in them of target populations. This is a method adopted by Belgium, Denmark, Germany, Greece, Spain, Ireland, Luxembourg, Austria, Finland, the United Kingdom (in the case of additional funding awarded under the LMS and, in part, the EAZs), Iceland, Liechtenstein and Norway.

The second way involves looking at the residential areas in which schools are situated, as these areas are defined by the socio-economic characteristics of their residential population. This approach has been developed in Belgium (in the French Community in the case of disadvantaged areas), France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom (in England, partially in the case of the EAZs, and Northern Ireland for the *School Improvement Programme*), as well as in certain Swedish municipalities. This latter method of financing special educational requirements is critically relevant to the principle of equality where there is increased financial autonomy for local agencies (schools or municipalities), since it is intended to compensate for the income level of the municipality and the size of the disadvantaged population within it. The area concept may also act as a spur to competition between schools in Belgium, France and the United Kingdom. For this reason, it merits closer examination in the present study. An analysis of the way areas or 'zones' have been established will seek to identify the elements underlying their rationale, and will be followed by an appraisal of the area concept. This will be mainly limited to Belgium (the French Community) and France, as the only two countries which have undertaken several evaluations of their system of special funding. While they relate to their national contexts, these evaluations provide a platform for more general consideration of the use of areas or zones as a criterion for additional financial support.

C.1. CONTEXTUAL FACTORS IN THE ESTABLISHMENT OF PRIORITY AREAS

The additional resources needed by schools appear to have been determined in accordance with the area in which they are situated, because disadvantaged ghettos have formed in certain city neighbourhoods. This may have occurred following a 'flight from the land' when there was little employment or housing available in the cities, or result from the presence of a large economically disadvantaged immigrant population.

In France, the arrangement of different urban neighbourhoods is conditioned by the variations in socio-economic level of the population. Because of the catchment areas that oblige pupils to attend the school closest to their place of residence, the relation between the school population and geographical area is fairly close and encourages the existence of 'critical' school areas.

The priority education policy in the Netherlands was implemented between 1993 and 1997 in the wake of demographic changes that led to an increase in the number of pupils from disadvantaged backgrounds, especially in the big towns and cities. This development gave rise to specific problems, first in primary and then secondary education. As a result, special attention was focused on schools situated in areas in which over 75% of pupils came from disadvantaged backgrounds, meaning either poor families or ethnic minorities. Schools in this category could obtain additional resources as long as they satisfied certain requirements, such as cooperating with other schools in priority education areas. Furthermore, secondary schools outside these areas which enrolled pupils from ethnic backgrounds, could also receive supplementary funding. Since 1997, as already mentioned, this policy has been incorporated into the *Gemeentelijk Onderwijsachterstandsbeleid* (policy for compensatory allocations to municipalities).

In the case of Portugal, it may be supposed that supplementary schemes for the financing of schools in the TEIP have been the result of the big rise in school enrolment rates that occurred when the duration of compulsory education was extended in 1967 and again in 1986. The increase in enrolments went hand in hand with gradual urbanization of the country (rural exodus), which led to the formation of socio-economically disadvantaged areas and the need to define the TEIP.

In the United Kingdom (England), action at area level is a way of mobilizing the entire local community, including firms, in the search for solutions to local problems.

C.2. EVALUATING THE 'PRIORITY AREA' CONCEPT

Recent findings on the part of the governments of the French and Flemish Communities of Belgium and the Irish Department of Education and Science, together with many articles on the subject published in France and Belgium, challenge the justification for using the 'area' concept to identify particular needs. The concept does indeed pose several types of problem.

The first concerns the extent to which the characteristics of the school population match those of the population of its surrounding area, particularly in countries where parents are free to choose their child's school. Schools situated in disadvantaged areas do not necessarily enrol children who live in their immediate environment. This is no doubt linked to parental strategies to prevent their children attending the closest school with its 'disadvantaged' or 'problem-prone' tag.

The fact that the characteristics of the population of a school and that of the school's local area are not the same has now led the French Community of Belgium to award additional resources to some schools with reference to the characteristics of their own population (rather than that of their locality). These characteristics are assessed using a summary indicator with 12 variables, which examines the degree of poverty in the neighbourhood where pupils at the school come from. This reform will take effect from the 2000/2001 school year. The place where pupils live remains determinant, confirming the existence of both social and 'area-based' segregation, but is associated with them alone, and no longer with their school. Furthermore, according to the new decree on positive discrimination, schools that enrol 75% of pupils who are either refugees or born outside Belgium will also be taken into account. It would appear that one of the reasons which has prompted the government of the French Community of Belgium to abandon the 'area' criterion is that it leaves the way open to the exercise of discretionary powers not sufficiently based on objective considerations. If so, the classification for purposes of positive discrimination might become partly influenced by political and parental pressure.

Furthermore, in the Flemish Community of Belgium, the area concept is no longer employed. However, it was used to select schools eligible for additional resources during the period between 1990 and 1994 when the educational priority policy was launched. Only schools in municipalities with a high rate of immigration were taken into account. On the basis of an evaluation in 1994, the area concept was abandoned because schools in other municipalities also enrolled many immigrant pupils. The criteria for taking part in the educational priority policy project have therefore since been amended to include all schools enrolling a minimum 10% of immigrant children.

In Ireland, the Department of Education and Science has demonstrated in recent years that the area concept is ineffective in targeting pupils whose schooling requires additional resources. Since 1998/99, criteria for the award of these resources has focused on pupil characteristics, following a survey to determine the distribution of disadvantaged pupils across the various schools. These criteria are public and based on objective data.

A second angle from which the concept of an 'area for positive discrimination' may be criticized is its consequences in terms of pupil attainment at school. An assessment of performance in mathematics and French conducted in France by the Ministry of Education in 1999 among 5 000 pupils in the third year of primary school and the first year of *collège* showed that the effect of the ZEP may be a negative one. A pupil who attends a school in a ZEP does less well than a pupil of the same age, sex and kind of social background, whose school is not in a ZEP.

Besides the apparently negative effect of ZEPs vis-à-vis the attainment of pupils who attend school in them, the positive discrimination policy they represent is also criticized because it tends to regard segregation at school as an inevitable consequence of social and area-based segregation, instead of developing policies to prevent the formation of large groups of disadvantaged pupils in some schools. Furthermore, while classification of a school in a ZEP implies entitlement to more government resources than in the case of a 'non-classified' school, these extra resources may do no more than reintroduce the unequal levels of expenditure on education sometimes differentiating rich and poor municipalities, given that priority areas are those whose population is of a modest socio-economic level.

As a result, the 'area' concept tends to presuppose that the formation of ghettos is inevitable, whereas parents – who make use of schools for the benefit of their children – develop strategies that have an impact on the social breakdown of school populations.

Indeed, some parents from the most disadvantaged social groups attempt to place their children in schools in which the social backgrounds of pupils are more varied. Meanwhile, other parents from more fortunate, or privileged, sections of the population take action to ensure that their children are not in contact with pupils from disadvantaged social backgrounds. The growing popularity of Catholic (private) education, which is now attracting an increasing number of pupils from disadvantaged areas, demonstrates that parents are trying to shield their children from what are perceived as the unwelcome aspects of ghetto populations in some public-sector schools. However, as far as this trend in France is concerned, it should be borne in mind that the country is one in which the choice of public-sector school is normally very restricted, and one strategy used by parents to bypass this is to enrol their children in private education. Furthermore, there is now a logical tendency for parents to try and avoid certain schools by applying for dispensation from the catchment area system, a trend that has emerged in the course of the last ten years. Among suburban *collèges*, 8% of pupils attended schools outside their catchment area in 1984, as compared to an estimated proportion of over 25% today. Furthermore, school heads have on occasions reacted to the wishes of parents, and to the competition between schools in both Belgium and France (1), by using mechanisms such as the results of pupil assessment to increase the selectivity of enrolment, thereby contributing to the segregation of different social groups in compulsory education.

Although there is no longer a priority area policy in the Flemish Community of Belgium, the anti-discrimination declaration of 1993, which encouraged school heads to avoid any form of discrimination in their admissions procedures, was partly attributable to the concentration of foreign pupils in some schools. The aim of the declaration has been to secure fairer representation of pupils of foreign origin in all schools. As a result, an active schools admissions policy has been introduced in order to distribute foreign pupils throughout all schools in the Flemish Community. Their presence up to a certain maximum level is guaranteed by local agreements between schools regarding their admissions policy, which the government has also taken action to support. However, recent evaluation of the implementation of the anti-discrimination declaration showed that this distribution policy has not been very successful. New policy measures are being introduced in the year 2001. Like the Flemish Community, the French Community has very recently decreed that no school head may refuse to enrol a pupil without good reason.

To sum up, supplementary support granted to some schools on the basis of the socio-economic characteristics of their locality seems to have stemmed from the assumption that a high proportion of disadvantaged people require additional resources for education in some areas. In all cases, the apparent aim of this support is to boost pupil attainment at school. Assessment of this additional financing prompts two criticisms. The first relates to the criteria used in defining an 'area', and has led some countries to re-determine support with reference to the socio-economic characteristics of the residential neighbourhood or original background of the school population, and not those of the area of the school. The second criticism is concerned with the acceptance of predominantly large numbers of high-risk pupils all together in a single school. This is a phenomenon which can lead to deliberate policies for desegregation along the lines of those developed in the Flemish Community of Belgium.

---

(1) These strategies have been possible ever since the greater autonomy granted the *collèges* has enabled them to select their preferred structure for teaching purposes (in terms of the composition of classes and grading) and their optional courses.

CHAPTER 5

NON-PUBLIC RESOURCES AND LOANS

Beyond the financial allocations emanating from public authorities and the State, schools may have the possibility of drawing on an additional category of resources, namely those which derive from a wholly private source and which they seek at their own initiative. This chapter deals principally with the options open to public-sector schools in this regard; *grant-maintained schools* in the United Kingdom (England and Wales) are treated alongside this category. However, as elsewhere in the study, it also deals with grant-aided private schools in Belgium, Ireland and the Netherlands given that such schools constitute a significant part of the compulsory education system in these countries.

Contributions from parents in the form of fees or voluntary contributions are not considered within this category of funding. They are dealt with separately in Chapter 1. Resources supplied by the private owner of a school are not discussed here nor those donated by a patron (a religious establishment such as a Church to which the school is linked). This is because both of these apply mainly to the private sector which is not the focus of the study.

Income deriving from non-public sources can be divided into two groups:

1) a school's earnings from its immediate assets or activities and

2) income originating from sources beyond the sphere of the school itself (¹).

The first group includes five main categories of income:

- **renting out of property**: receipts emanating from the renting out of buildings and facilities such as the school's sport hall to a local sports club, a classroom for an evening lecture or conference;
- **service provision**: profits from the provision of additional services outside its mandatory educational remit, including childminding, special extramural courses, use of the photocopier, provision of a school retail outlet such as a snack shop or bookshop, catering for special events, entry to the swimming pool;
- **events and fund-raising**: profits from the organization of a school fête or show, or from fund-raising activities such as raffles or bring-and-buy sales;
- **sale of assets**: income from the sale of ground/equipment belonging to the school;
- **financial reserves or investments**: interest from the school's financial reserves or share dividends from financial investment.

The second group comprises the following:

- **donations**: bequests, donations and gifts in cash or in kind from external private sources;
- **sponsorship**: donations commonly in kind from private enterprise and other organizations, such as sports or computer equipment, items of food or drink, or sometimes materials for project work etc. prepared by industry;
- **advertising**: income from selling space (within the school, on its exterior walls, in school magazines and brochures) for advertising the products or services of commercial concerns;
- **credit**: bank loans.

(¹) Within the context of this chapter's discussion, although some types of resources may be in kind rather than financial (e.g. types of sponsorship or donations), these are not given separate treatment.

312

The last in this second group is a special case in that it is a financial resource of a temporary nature only: it must be reimbursed at some point in the future. It is considered within this group because it nevertheless represents a financial 'opportunity' deriving from an external private entity (i.e. a bank or financial institution) for the school to take advantage of.

Additional sources of income can be various, as this list illustrates. Where schools are authorized to exploit such sources, the amount of revenue generated is not supposed to influence the calculation of public funding for the school concerned. Thus, money which schools generate belonging to this category should, in theory, be a supplement to state subsidies and should not substitute for it.

In many of the countries considered, certain types of school are permitted to supplement their budgets at their own initiative with respect to sources such as those listed above. The existence of this possibility can be viewed in the context of the discussion of the foregoing chapters on the granting of greater autonomy to schools in their own affairs and the management of their resources. Shifts in that direction appear to have been partly motivated by the quest for increased efficiency in the use of tight resources owing to public expenditure stringency measures. Similarly, giving schools the option of finding supplementary funding on their own might be considered as a way of compensating for inadequacies in public resources: such a perspective implies that private funds cease to be a supplement to public money and become, rather, a partial substitute for it. However, it must be noted that although some legislative steps have been taken in recent years in the direction of increasing the opportunities for this type of funding, in most countries, such opportunities are still limited in a number of respects. In the first place, the range of possible sources of private finance may be circumscribed. Secondly, official provisos may be attached to permission to access certain types of private funding which may relate to educational, ethical or other issues. Thirdly, the use of income from private sources may be subject to restrictions.

These three issues are examined below in a discussion of the situation in the different countries. Point A examines the first issue, comparing the range of possible sources across countries, while also investigating the second issue, provisos attached to accessing these funds. Point B looks at restrictions on the utilization of these funds, once obtained. Point C discusses accounting issues and questions of risk and liability which arise with respect to some sources. Point D examines the legislative and regulatory developments which have affected schools' freedom with respect to this category of funding, and it also highlights aspects of the debate surrounding the financial participation of the private sector in traditionally publicly financed compulsory education.

313

A. SOURCES OF PRIVATE FUNDING AVAILABLE TO SCHOOLS: DEGREES OF FREEDOM

This section looks at the range of sources of private funds available to schools, grouping the different countries according to how wide this range is. In addition, where relevant, it examines the provisos schools must heed in tapping into these sources. Limitations on the use to which schools may put the revenue gained from these sources are examined in Chapter 5, Point B.

In discussing regulation as regards the ability of schools to seek supplementary finance from private sources, several important issues need to be borne in mind. Within the limits of the law, the extent to which schools take advantage of the opportunities for accessing additional sources of funding will vary from one school to another depending on the individual school's policy in this regard. Some schools may be more active in this area than others because of management views on the issue, or because a school's catchment area or its reputation may contribute to (or limit) its success in raising finance from alternative sources. For example, schools in poorer catchment areas or schools with a poor record of academic achievement may not attract donations or sponsors as easily as others. Because of these variations between schools, generally speaking, there exists no body of information at central level providing an overview of what actually occurs in this area in practice. In addition, there may be certain divergences between practice and what is permitted by law. In some countries, despite the absence of a prohibition, by custom, schools do not exploit particular possibilities (e.g. sponsorship). In many countries, an absence of detailed legislation on schools and advertising may mean that much is left to the discretion of individual school management personnel.

Thus, the discussion in this chapter is, for the most part, concerned only with the framework within which schools are allowed to raise their own resources and does not attempt to generalize about school practice in this area.

A.1. CATEGORIZATION BY COUNTRY

Figure 5.1 illustrates the sources of finance available to schools in each country. It illustrates how wide the range of permitted sources is in one country relative to another, considering the different national frameworks.

Countries can be divided into three groups with respect to how numerous permitted sources of private finance are, as follows:

- countries where schools are not permitted to obtain funding from private sources;
- countries where the number of possible sources is severely limited, meaning that schools cannot rely on more than three private sources;
- countries where schools have the option of drawing on a wider range of sources of private finance.

The situation is not uniform in some countries in so far as intermediate authorities or the *Länder* may, within the limits of a national framework, determine which options are open to schools in their geographical area. Such cases are also indicated in Figure 5.1.

A.1.1. Countries where schools are not permitted to obtain funding from private sources

Only three countries fall within the first group comprising countries where schools are not permitted to obtain funding from private sources. This applies to both primary and lower secondary education in Greece and to primary level alone in France and Luxembourg. In these cases, school expenditure is financed by public money. Raising money through private sources is prohibited in primary schools in France because they are not legal entities enjoying any financial autonomy. A way round this is for organizations aligned with the school, such as parents' associations or funding cooperatives (*caisses de coopération*) to collect money on its behalf.

314

FIGURE 5.1: SOURCES OF PRIVATE FINANCE WHICH CAN BE SOUGHT AT THE SCHOOL'S OWN INITIATIVE (FULL-TIME COMPULSORY EDUCATION), 1997/98

		SOURCES DEPENDENT ON DIRECT ASSETS AND ACTIVITIES, WITHIN THE SPHERE OF THE SCHOOL ITSELF						SOURCES BEYOND THE SPHERE OF THE SCHOOL ITSELF			
	LEVEL PRIMARY/ LOWER SECONDARY/ BOTH	RENTING OF PROPERTY	SERVICE PROVISION	EVENTS/ FUND-RAISING	SALE OF ASSETS	FINANCIAL RESERVES/ INVESTMENTS	OTHERS	DONATIONS	SPONSORSHIP	ADVERTISING	CREDIT – LOANS
	European Union										
B fr	Both			●				●	●		○
B de	Both			●				●	●		
B nl	Both	●	●	●					●		○
DK	[illegible]							◆	◆		
D	Both	◆	◆	◆					◆		
EL	**Both**										
E	Both	●	●	●		●		●	●		
F	**Primary**										
	Lower secondary	●	●	●		●	●	●	●	●	●
IRL	Primary		●	●				●	●		○
	Lower secondary	○	●	●		○		●	●		●
I	Both		●	●				●	●		
L	**Primary**										
	[illegible]						●				
NL	Both	●	●	●	●	●			●	●	●
A (a)	Both	◆				◆		◆	◆	◆	
(b)	Lower secondary	●	●	●		●		●	●	●	
P	[illegible]								●		
	Lower secondary	●	●			●		●	●	●	
FIN	Both			◆				◆	◆	◆	
S	Both	◆	●	●				◆	◆	●	
UK (E/W/NI)	Both	●		●	○	●		●	●	●	○
UK (SC)	Both	●		●				●	●		
	EFTA/EEA										
IS	Both							●			
LI	Primary							●		●	
	Lower secondary			●				●		●	
NO	Both							◆	◆		

☐ No funding from private sources permitted

☐ Range of possible sources severely limited (to up to three)

▨ May draw on a wider range of sources of private finance

● Schools may take advantage of this supplementary source of private finance at their own initiative

○ *Only grant-aided private-sector schools may take advantage of this source of finance at their own initiative*

◆ School's opportunity to take advantage of this supplementary source of private finance will depend on the authorities responsible

Source: Eurydice.

Additional notes (Figure 5.1)

Denmark: Events/fund-raising: possible only by individual classes for their own benefit and not undertaken at school level.
Germany: Schools cannot directly obtain income and spend money themselves. However the municipalities, in their capacity as *Schulträger* of public-sector schools, may assign the actual right to obtain income by leaving the income earned in the school sphere to individual schools.
Ireland: Credit – loans: Individual *vocational schools* and *community colleges* cannot take out loans.
Italy: The range of different sources of private funding has been broadened with the implementation of school autonomy (on an experimental basis from 1998/99 and for all schools from 2000/2001).
Austria: (a) refers to schools run by the *Länder*, which comprise primary schools and the secondary schools, *Hauptschulen* and *Polytechnische Schulen*; (b) refers only to *allgemeinbildende höhere Schulen*, which are schools run by the federal ministry. Renting of property: applies mainly to the *allgemeinbildende höhere Schulen*, although in very exceptional cases primary schools, *Hauptschulen* and *Polytechnische Schulen* can rent premises.
Portugal: Primary level corresponds to the first stage of *ensino básico* (basic education), and lower secondary level to the second and third stages.
United Kingdom (E/W/NI): In general, surplus capital assets may only be sold by grant-aided private schools where the property is owned by the school trustees or foundation body rather than the local authority, but all schools can sell small items of equipment and retain the income. In Northern Ireland, *voluntary grammar* and *grant-maintained integrated schools* could take out loans. In England and Wales prior to 1999, only *grant-maintained schools* could take out loans. Since 1999, this right has been extended to all categories of school.
Norway: Rental of property is possible, but such income forms an integral part of the budget and is planned as part of the budget for operational expenditure.

A.1.2. Countries where the number of possible sources is severely limited

Seven countries fall within the second group comprising those in which access to additional private sources of finance is limited to a maximum of three sources. This categorization applies, at both primary and secondary levels of education, to all public-sector schools in the French Community of Belgium and to all schools in the German-speaking Community, as well as to Denmark, Iceland, Liechtenstein and Norway. Portugal may also be considered as forming part of this group for the first stage of *ensino básico* (basic education), together with Luxembourg, in which secondary schools may, under their school plan, establish a partnership with firms and thus secure some funding from private sources.

A commonly permitted source of additional private funding is sponsorship in Belgium, Denmark, Portugal and Norway (mostly for secondary level vocational education). In Liechtenstein, sponsorship is organized and controlled at national level, and it cannot therefore be considered as a private source of finance relevant to any discussion on school autonomy and financial empowerment.

Donations are possible in Belgium, Denmark, Iceland, Liechtenstein and Norway. In the French Community of Belgium, whilst donations in kind can be readily accepted, where a school seeks financial aid from external sources, it must do so with due regard to specific provisions. The practice of accessing external private finance through sponsorship from business and industry is, in fact, very rare. Organizations aligned with the school (parent associations and friendly societies, etc.) may act as intermediaries between it and the private sector. In Iceland, donations are the only permitted source of private revenue but, in practice, they are rare from organizations and individuals beyond parents.

The last possible additional source of revenue comprises fund-raising events, in the case of Belgium and secondary schools in Liechtenstein. In the latter, advertising is not a possibility exploited by schools in practice and thus there has been no need for regulation in this area. Similarly, it should be noted that, in Iceland, there are very few rules related to the accessing of private resources since, by tradition, reliance on private funding is not an issue where the financing of schools is concerned.

No schools in this group of countries can normally rent out premises (swimming pools, buildings, etc.) with the aim of generating their own supplementary funding. In Liechtenstein, revenue from this activity returns to the national treasury and not the schools. In Norway, certain schools are delegated the responsibility for letting out facilities and selling their services by the municipality. However, this income falls outside the context of this chapter's discussion since it is not additional to the school budget but constitutes an integral part of the funding for operational expenditure.

For both Denmark and Norway, the above description outlines the parameters set at national level. However, municipalities determine the freedom schools have in this matter within these parameters. This means that the situation may vary from one municipality to another. Thus, for example, in

BEST COPY AVAILABLE

Denmark, schools may not be totally free in deciding whether to accept offers of sponsorship or donations, and may have to refer to municipal guidelines or seek permission to accept them.

A.1.3. Countries where schools have the option of drawing on a wider range of sources of private finance

In 12 countries, schools have the option of drawing on a wider range of sources (Belgium, Germany, Spain, France, Ireland, Italy, the Netherlands, Austria, Finland, Sweden and the United Kingdom). Portugal fits into this group with respect to schools offering the second and third stages of *ensino básico*. In all of these countries, schools' liberty to take advantage of private sources is subject to certain provisos. Such provisos are discussed in examining the range of sources available country by country.

Grant-aided private schools in the French Community of Belgium may not only look for resources from fund-raising, donations and sponsorship, but also contract loans. In the Flemish Community, money can be raised through after-school facilities rental, sales to pupils, fêtes and sponsorship. There is no control over the exploitation of such funding channels in the Flemish Community, except as regards trade practice. For example, schools may not undertake to be the exclusive supplier of equipment to pupils at above market prices. For the grant-aided private sector, the range of options available to a school is equivalent to that of a public-sector school with the addition of loans. The loan is taken out by the school organizing body on behalf of the school.

In Spain, schools have the right to seek additional resources from the renting out of school infrastructure, services such as photocopier use within school hours and the selling of goods, school events such as concerts, interest on bank accounts, donations in kind (from publishing houses, etc.) and financial contributions in the form of legacies and donations.

The *collèges* in France are free to seek funding from all private sources shown in Figure 5.1 with the exception of the sale of assets. One funding possibility particular to France is the apprenticeship tax paid by employers to the *collèges* which offer the third or fourth years of technical education (currently being phased out) and to some sections of *enseignement spécial adapté*. The significance of this source of finance may vary according to the profile of the school and the efforts of the head (1). The freedom of schools to raise money from financial investments is regulated and there are limitations on the kind of services they can provide. To take out a loan, schools must have the authorization of the central government, the *départements* and supervisory authorities. Loans are rarely contracted by schools, however.

In Ireland, all schools have the option of taking advantage of opportunities for fund-raising through events (concerts, raffles, etc.), sponsorship from local commercial interests (typically for computer equipment), retailing items such as books and snacks to pupils, private donations and, technically, loans (except for *community colleges* and individual *vocational schools*). The range of potential sources is still wider at secondary level, at least for grant-aided private schools, which are also permitted to rent out the premises, provide adult education classes and summer schools and benefit from interest and revenue from capital investments. An official requirement regarding promotional activity in schools is that parents should not feel pressurized into buying certain products. A condition attached to the contracting of a loan for *community* and *comprehensive schools* is that approval must be sought from the Department of Education and Science.

In Italy, service provision, fund-raising, donations and sponsorship are possible. Schools may freely accept donations. Where income is derived from the provision of services, these must relate to the school's educational goals and, similarly, fund-raising through events organization, such as concerts and shows, or through the sale of goods to pupils must also have some educational or cultural value.

In the Netherlands, schools can seek funds from many different sources. Although sponsorship is permitted, it must in no way influence educational content; nor should the school find itself in a position of dependence. Under a self-regulatory code of 1997, advertising cannot appear in school materials.

---

(1) Firms may either pay the apprenticeship tax themselves to schools with which they are in contact (in particular, because they accept their pupils for vocational placements), or pass it on to vocational bodies for them to distribute.

Schools offering the second and third stages of *ensino básico* in Portugal enjoy substantially greater freedom than those offering the first stage with regard to the sources available to them under this category of funding. Possible sources are interest from bank accounts, the renting of classrooms or sports halls, services, including sales of goods to pupils, corporate sponsorship and advertising. Schools' options are carefully regulated. Thus, sales of goods to pupils must respect a maximum 10% profit margin. Although schools can benefit from interest on bank accounts, they cannot engage in financial transactions of a speculative nature. Rental of property or the provision of services must not adversely affect the development of educational activities for pupils, and advertising requires the authorization of the *Direcção regional de educação* (regional education authority).

Across the United Kingdom, schools can find extra money from rental of facilities, fund-raising (concerts, fêtes, etc.), and commercial or industrial sponsorship. The latter involves, for example, the donation of equipment, or vouchers issued by supermarkets to shoppers to be used against the purchase of school computers. Schools may benefit from charitable endowments. Turning to stipulations attached to such sources of private finance, premises can only be let for educational, social or leisure purposes. In England and Wales, the *governing bodies* of all categories of school may now take out loans but, before 1999, this right was restricted to former *grant-maintained schools* (now *foundation schools*) and was subject to the approval of the *Funding Agency for Schools* or, in Wales, the Welsh Office. In Northern Ireland, only *voluntary grammar schools* and *grant-maintained integrated schools* may take out loans. All categories of school can sell small items of equipment which have been purchased from their delegated budget and retain the income. Income from the sale of large items bought by the *Local Education Authority* must go back to it.

Four countries belonging to this third group may exhibit variations according to the responsible intermediate authorities, such as the municipalities, or else the *Länder*. This is due to decentralization of control over school affairs to this level (Germany, Austria, Finland and Sweden).

In Germany, depending on the *Schulträger*, schools may raise money from rental, service provision and events/fund-raising. Schools in some *Länder* have recently been given the opportunity to raise supplementary funds through sponsorship (1997). In this context, an exception has been made from the general ban on advertising in schools. Schools may now accept money from sponsors and acknowledge their support but there must be a guarantee that the advertising impact is clearly less significant than the benefit to school activities. Sponsorship contracts may only be drawn up with the participation of the *Schulkonferenz* (school council) and with the approval of the *Schulträger*.

In Austria, schools controlled by the *Landesschulräte*, namely primary schools, *Hauptschulen* and *Poytechnische Schulen*, in principle enjoy most of the private finance opportunities enjoyed by the federally-controlled *allgemeinbildende höhere Schulen*: property rental, financial investments, donations, sponsorship and advertising. However, in practice, this freedom is tempered by the intervention of the *Landesschulräte*. The discretion granted to these schools in this matter may thus vary from one *Land* to another. As a general rule, they enjoy less discretion in private funding than federal government controlled schools. The *allgemeinbildende höhere Schulen* require the agreement of the financing public authority if the acceptance of sponsorship and donations will lead to additional expenses. These schools can also generate revenue from advertising as long as it does not adversely affect school duties. Private funding opportunities for the *allgemeinbildende höhere Schulen* increased with 1998 legislation granting these schools partial legal capacity. Since then, they may offer services outside school hours and normal school activities and organize shows, the sale of goods, fêtes and raffles within the framework of regulation. However, so far, there has been little take-up of this right.

In Finland, fund-raising, donations, sponsorship and advertising may be possible depending on the framework for schools' financial autonomy laid down by the municipality. In practical terms, revenue from marketing activities is of fairly marginal significance. The commercial nature of marketing activities must be visible and pupils and parents informed of them. The source of commercial material aimed at pupils must be clear and advertising messages cannot appear in learning material.

Fund-raising, donations and sponsorship may be possibilities available to schools in Sweden, along with property rental and service provision and, as in Finland, there may be variation between municipalities. Those providing funds may not require any particular favour in return.

A.2. ROUND-UP OF THE ANALYSIS

From the foregoing discussion, it can be seen that, in the vast majority of countries, schools have several options with respect to sources of supplementary private resources. In two countries (Greece and Luxembourg), the use of private sources to supplement the public subsidy at any level of compulsory education is prohibited or very firmly controlled. In France, primary schools may not seek private funding themselves, which is in stark contrast to the leeway allowed to *collèges* in this matter. Similarly, there are fewer options for schools offering the first stage of *ensino básico* in Portugal than for the second and third stages. In six countries, the situation may not be uniform because the local authorities or an intermediate authority determine schools' discretion on this issue.

Figure 5.2 summarizes how countries are categorized according to the foregoing analysis.

FIGURE 5.2: DEGREE TO WHICH SUPPLEMENTARY SOURCES OF PRIVATE FINANCE ARE PERMITTED TO SCHOOLS (FULL-TIME COMPULSORY EDUCATION), 1997/98

1) NO FUNDING FROM PRIVATE SOURCES PERMITTED	2) SCHOOLS' RANGE OF POSSIBILITIES IS SEVERELY LIMITED	3) SCHOOLS MAY DRAW ON A WIDER RANGE OF SOURCES OF PRIVATE FINANCE
L (p), **EL**, **F** (p)	**B fr** (public sector), **B de**, **DK** (*), **L** (s), **P** (1st stage of *ensino básico*), **IS**, **LI**, **NO** (*)	**B fr** (grant-aided private sector), **B de**, **D** (*), **E**, **F** (s), **IRL**, **I**, **NL**, **A** (*), **P** (2nd and 3rd stages of *ensino básico*), **FIN** (*), **S** (*), **UK**

(*) The situation varies depending on the authority concerned (p) = primary (s) = lower secondary

Source: Eurydice.

Among countries classified under group 3 in Figure 5.2, with the exception of Spain, there is a tendency to balance the freedom awarded to schools in terms of choice of sources of private finance with provisos attached to accessing such sources. These include, for example, the obligation to seek approval beforehand (as is the case for sponsorship, gifts and financial donations in Austria for the *allgemeinbildende höhere Schulen*, and for advertising in Portugal), or the requirement that there is an integral educational, cultural or social dimension to the activity (applied to fund-raising in Italy, and rental of premises in the United Kingdom).

A number of general observations can be made relating to the permitted sources of finance.

The first is that the two most commonly permitted sources are those beyond the sphere of the schools' immediate assets and activities, namely sponsorship and donations.

Secondly, where differences in permitted sources exist between primary and secondary schools (as in France, Ireland, Austria, Portugal, and Liechtenstein), options at the secondary level (at least for certain types of school) outnumber those at primary level. This seems to reflect a common pattern right across education systems whereby, going up through educational levels, there is increasing empowerment and autonomy entrusted to schools and their management entities. Thus, for example, higher education institutions generally have more rein for self-determination than secondary schools, and so on. This, in part, is probably linked to the size of institutions, as primary schools (for example) are often too small to merit the conferral of this kind of autonomy.

Furthermore, no schools may benefit from income from the sale of assets, except in the Netherlands and to a certain extent in the United Kingdom (England, Wales and Northern Ireland). Loans may be contracted by secondary schools in France, by some secondary schools in Ireland, by all schools in the Netherlands and, since recently, in the United Kingdom (England and Wales). In the French and Flemish Communities of Belgium, loans may only be contracted by grant-aided private schools.

The renting out of facilities is in some cases prohibited because they are the property of the public authorities (France, Italy, with the prohibition lifted from the 2000/2001 academic year, Austria and Liechtenstein).

319

B. RESTRICTIONS ON THE USE OF FUNDS FROM PRIVATE SOURCES

In some countries, the use of money emanating from efforts by schools in the area of sources of private funding is limited to certain purposes. In others, schools are free to dispose of this money as they see fit. Two groups of countries can be distinguished with reference to their degree of freedom to spend this revenue, as follows:

- countries where schools are free to spend this money as they wish;
- countries where schools must conform to regulations on its use.

Countries belonging to the first group are Belgium (all three Communities), Denmark, Ireland, the Netherlands, Sweden, the United Kingdom, Iceland, Liechtenstein and Norway.

Those within the second group are Germany, France, Spain, Italy, Austria, Portugal and Finland.

In France, regulation on the use of private revenue relates to that derived from the apprenticeship tax. The situation as regards revenue from other sources may vary from school to school. All expenditure has to be approved by the *conseil d'administration* when it plans or amends the annual budget.

In Spain, finance obtained by the public-sector schools and *centros concertados* from private sources is usually earmarked for some operational purposes in the form of certain services and materials.

In Austria, the principle that the funds must be used for a special, predetermined, educational objective is applied to money raised from financial donations and, for the *allgemeinbildende höhere Schulen* alone, from rental, sponsorship and advertising before any excess can be spent on other educational objectives. In the case of the *allgemeinbildende höhere Schulen*, income from letting property may cover the costs of rental of extra premises. Personnel costs cannot be covered by this revenue.

In Portugal, supplementary private funds can only be used for operational expenditure (which does not relate to associated staff costs but which may include investment in movable assets). Since there is a limit on the number of teachers that schools may recruit, they may not use extra private finance for expenditure on additional teaching personnel.

In Finland, the equality of pupils must not be endangered when using the funds for trips, school camps and other school activities.

There are only two instances in which the spending of these funds on non-operational costs is expressly prohibited (Austria, in which personnel expenditure is excluded in the use of revenue from rental, and Portugal in which personnel expenditure is forbidden).

C. ACCOUNTING ISSUES AND FINANCIAL LIABILITY

In most countries, although money raised through the private sources discussed is a supplement rather than a substitute for public finance, schools are still under the obligation to declare this income in the school accounts in order to verify that its expenditure is in accordance with the law. The only exceptions to this are the French and Flemish Communities of Belgium, Germany, Spain, Sweden and Liechtenstein.

In France, there are financial or legal consequences for school heads or their accountants if resources are concealed. In Sweden, income from events and fund-raising is normally treated as separate from the rest of the school budget, as it is wholly under the school's control and so does not figure in the general accounts. This revenue is not very significant in Sweden and goes mainly towards school outings.

Unused money from private sources may sometimes be carried over to the next budget year (German-speaking Community of Belgium, Denmark, Germany, France, Italy, Austria, United Kingdom and Norway). However, in Germany this applies only where the *Schulträger* allow schools to have a part of their budget at their disposal. In France, there is a ceiling on the amount. In Denmark, all money constituting the budget, funds from private sources or otherwise, may be carried over up to a fixed percentage. In Austria, in the case of money generated from the renting out of buildings by the ***allgemeinbildende höhere Schulen***, the school can keep this in reserve for pre-planned reinvestment in the school. This is the only instance where the budget can be carried over from one year to the next. In Finland, the decision on the destination of remaining funds at the end of the school year rests with the municipality and this is also the case in Norway.

Loans are the most common area in which there is an express prohibition: this type of financing is an option for very few public-sector schools. This might be explained by the degree of financial risk involved and the question of whether the school or the public authorities are ultimately liable if the debt cannot be repaid. In the Flemish Community of Belgium for example, although grant-aided private schools are permitted to borrow, the Ministry of Education may be asked to repay the loan and can offset this against the school's allocation for operational costs. Where the possibility exists, there is no upper limit set on the amount which can be borrowed. However, in Ireland, although primary and ***voluntary secondary schools*** can legally take out a loan with the approval of the ***board of management***, ***trustees*** and ***patrons***, this is discouraged and so, realistically speaking, is not a clear option.

The issue of state liability if a school cannot meet its obligations concerning loan payment may transfer to other situations regarding the school's search for private funds. Where an agreement exists between a school and an external private entity, for example in the case of sponsorship, the question may arise as to who is ultimately responsible if a school reneges on the agreement.

D. LEGISLATIVE CONTEXT AND REFORMS

D.1. REFORMS: EXTENDING THE POSSIBILITIES

In some countries, legislation aimed at increasing the autonomy of schools changed their legal status. An implication of reforms of this type was the extension of the possibilities open to schools in searching for their own funds.

In other countries, new policies aimed to increase the involvement of the private sector in order to increase education's links with, and relevance to, industry and enterprise. In tandem with this, the aim was to provide a supplement to public funding where money could be tight.

Across many countries, there has been some development in recent years with respect to regulating or deregulating promotional activity in schools in the form of advertising and sponsorship.

D.1.1. Changes in the status of schools

Changes in the legal status of schools occurred in Belgium, Spain, France, Italy, Austria and Portugal. For four of these countries, the scope for schools to look for private resources broadened as a result.

In Spain, a succession of laws (the 1985 LODE, 1990 LOGSE and the 1995 LOPEG) built up a framework for the autonomy of schools in the management of their resources. Importantly, the specific aim of the 1995 LOPEG was to broaden the scope for supplementary private funding of private and state schools, whilst excluding the option of charging fees.

In France, the decentralization law of 1983 changed the status of lower secondary schools to 'local public-sector educational institutions' which granted them a level of autonomy implying, along with greater freedom in the use of public funding, the right to seek new sources of finance.

In Italy, the law of 15 March 1997, which is undergoing implementation, confirmed the status of schools as legal entities, conferring on them autonomy in matters relating to teaching and organization. One measure which this reform has introduced in support of financial autonomy for schools is the possibility for them to accept external funding from agreements, legacies and donations. Furthermore, according to measures to implement new provisions on school size (for the purposes of increasing autonomy), a school may look for funds from other sources, including private ones, to assist the implementation of projects already funded by public resources.

In Austria, in 1998, an amendment to the School Organization Act granted partial legal capacity to schools. Schools can register to set up a company which has the right to raise funds on its own.

D.1.2. Increasing links with the private sector

As the responsibilities of the *Schulträger* in Germany were being amended in the 1990s in order to stimulate stronger links between the school and the local community, the *Länder* started to explore the question of external financing possibilities, including private ones such as sponsorship.

While in some countries the involvement of private interests in education is considered by many to be a threat, in the United Kingdom it is viewed as an opportunity. The Private Finance Initiative introduced in 1992 aimed to increase the involvement of the private sector in public-sector developments. It seeks to increase cost-effectiveness and transfer risk and management responsibility for projects to the private sector. This initiative mainly concerns the further and higher education context and relates to construction activity, whereas the 1997/98 *New Deal for Schools* (England, Wales and Northern Ireland) is targeted at primary and secondary education. One of its aims is to promote a wider range of public/private partnership approaches to the school sector.

D.1.3. Advertising and sponsorship

Across the countries under consideration, activities relating to the promotion of commercial services or products are governed by (a combination of) legislation, self-regulation, and agreements between public authorities, consumers' organizations/ombudsmen and other interested parties. The promotion of products such as cigarettes and alcohol is generally prohibited in schools.

In many countries, there is no legislation relating specifically to advertising in schools (1). However, the area of advertising and sponsorship is one in which school practice may in some cases lead to regulation (or may explain the absence of regulation), or may lead at least to agreements between interested parties.

Three groups of countries can be distinguished: countries where legislation bans advertising in schools, countries where there is legislation specific to schools, and countries where this area is governed only by legislation applying to children and advertising in general.

In the German-speaking Community of Belgium, Germany, Greece, Luxembourg and Norway, legislation currently bans advertising in schools. This is with the exception of some German *Länder*, which relaxed legislation in this area in 1997. Looking at Greece, where schools do not have the option of tapping into supplementary private resources, future changes in the area of advertising may be in the offing. A draft study on children and advertising written by the Ministry of Development examines sponsorship and product promotion in schools. The attention given to promotional activity in schools in Greece might signal for the future the introduction of private supplementary resource possibilities for public-sector schools.

Several countries specifically legislate for promotional activity in schools, namely Belgium (in the French and Flemish Communities), Austria and Portugal. In Austria, this has been permitted under the School Organization Act since 1997.

In other countries, general legislation on advertising to children applies to schools (Denmark, Spain, France, Ireland, Italy, the Netherlands, Finland, Sweden, the United Kingdom and Liechtenstein).

In some of these, however, there have been recent developments in the form of non-legislative measures applying particularly to schools. In two countries, Denmark and Finland, the consumer ombudsmen have recently prepared guidelines which include the subject of marketing in schools. In Ireland, there were three circulars issued to school authorities between 1984 and 1991 on this issue. One circular requested schools to formulate policies in relation to commercial promotions. In the Netherlands, the fact that schools were engaging to an increasing extent in sponsorship agreements led to the signing of a self-regulatory agreement in 1997 between the Ministry of Education, the Dutch Consumer Organization, the *Stuurgroep Reclame* (a tripartite organization representing advertisers, agencies and the media) and a large number of school organizations. By contrast, in Liechtenstein, the fact that the use of advertising in schools has been non-existent is the reason for the lack of regulation specific to schools in this area of concern. In Sweden, there are no specific regulations on this matter. The legality of advertising in schools has never been tested since there has been no established practice of raising money in this way.

In certain countries, the arrangements governing commercial activities in schools potentially give rise to grey areas and may conceivably result in the divergence between practice and official regulations or recommendations. In Italy, although there is no express legal prohibition, schools have never been permitted to generate funding from commercial advertising of any kind. The decision to engage in this type of commercial activity may in some cases lie with the school or, more specifically, the head/school management. This is the case in France, Ireland, Austria and the United Kingdom.

In countries where a current objective is to increase links between education and the external environment, such as in Germany and the United Kingdom, sponsorship may offer benefits beyond financial ones. In certain cases, the production of teaching materials by business and industry has been used to promote enterprise training and education on current topics such as the introduction of the euro, environmental protection and so on.

---

(1) According to a survey conducted by the European Commission in 1999 via the European Advertising Standards Alliance. Survey of EASA members in the EU regarding commercial advertising in schools. In: European Advertising Standards Alliance (EASA). *EASA Compendium: Self-Regulation for Children and Advertising in the EU*. February 1999.

D.1.4. Round-up of reforms

As figure 5.3. illustrates, several countries have started introducing measures to regulate access to some sources of private finance as usage of these sources increases (Denmark, Ireland, the Netherlands and Finland). Other countries have been especially active in widening opportunities for school management to raise their own finance by changing schools' legal status, making provision for pilot projects, and other policies (Germany, Spain, France, Italy, Austria, Portugal and the United Kingdom). One country is considering embarking on the relaxation of legislation in this area (Greece). No countries have taken the retrograde step of reducing the avenues available to schools in seeking their own funds.

FIGURE 5.3: POLICY/LEGISLATIVE INSTRUMENTS AND OTHER INSTRUMENTS RELATING TO THE FREEDOM OF SCHOOLS TO SEARCH FOR AND DISPOSE OF SUPPLEMENTARY PRIVATE RESOURCES (1970-97)

TO REDUCE THE POSSIBILITIES	NO CHANGE	TO REGULATE THE AVAILABLE POSSIBILITIES	TO OPEN UP THE POSSIBILITIES
	B, **EL**, **F** (p), **L**, **P** (1st stage of *ensino básico*), **S**, **IS**, **LI**, **NO**	**DK** (*) (late 1990s), **IRL** (*) (1984-91), **NL** (*) (1997), **FIN** (*) (late 1990s)	**D** (1997), **E** (1995), **F** (s, 1983), **I** (1997), **A** (1997, 1998), **P** (2nd and 3rd stages of *ensino básico*, 1989), **UK** (1992, 1997)

(*) Guidelines, recommendations or self-regulatory agreements only (p) = primary (s) = lower secondary

Source: Eurydice.

D.2. ISSUES UNDERLYING RESTRICTIONS ON NON-PUBLIC FUNDING SOURCES FOR SCHOOLS

Regulation in the area of private funding opportunities for schools is motivated by a number of factors. In the first place, there may be potential liabilities associated with giving schools free rein in this area which need anticipating, taking into account the educational obligations of schools, their general responsibilities of care with respect to minors and the fact that they are operating in the public domain supported principally by taxpayers' money. In the second place, the degree of freedom schools enjoy in this area may be a reflection of national views regarding the level of state involvement in compulsory education. Contentious political issues are whether or not the exposure of the latter to external means of financing effectively implies starting on a road which will detract from the responsibility of the State, and whether or not involving external entities could negatively influence educational provision. These have been subjects of debate in a number of countries, including Germany, Italy and Austria.

Further exploring the first point, the possible risks and problems associated with schools' exploitation of alternative sources of finance are quite numerous. Looking at the group of potential sources related to the school's direct assets and activities, some activities could interfere with the achievement of educational objectives. For example, in the case of the renting out of property, the search for extra money has to be balanced with the school's needs in terms of the availability of facilities for extra-curricular activities, etc. The organization and provision of services may demand a commitment in terms of time and personnel which might compromise the accomplishment of the school's main educational mission, as might also the organization of fund-raising events. For the sale of property and facilities, due regard has to be paid to whether this could impoverish the infrastructure essential for educational provision at the school and also whether the purposes of a new owner might conflict with school objectives or children's safety. Foreseeably, some types of action may incur future or ongoing costs to be met by public funds under the operational expenditure budget. These could include the maintenance of a vehicle bought with money raised by the school itself, or costs associated with additional wear and tear on facilities rented out beyond school hours.

Similar types of problem are associated with sources of finance beyond the immediate sphere of the school itself. For example, there may be financial consequences for the State if a school is unable to repay a bank loan or other form of credit. A distinct issue associated with donations, but more particularly sponsorship, is the potential for donors or sponsors to exert influence over the school (teaching and other activities) if the school finds itself in any way reliant on these sources of aid. This might potentially threaten the national uniformity or standards of compulsory education provision. Where commercial or industrial interests are involved, as is generally the case for sponsorship and advertising, care needs to be taken that the school is seen to remain impartial since part of its mission is to cultivate pupils' integrity, discretion and judgement. The susceptibility of children to clever marketing needs to be borne in mind especially with respect to particular products (toys, games, snacks, etc.), and all forms of publicity to which children are exposed must conform to certain ethical and cultural codes and norms concerning the protection of minors.

In setting the parameters for the possibilities of raising finance from private sources, the State therefore needs to take into account these potential risks and deal with them through regulation.

D.3. CONTENTION AND DEBATE

Moves in the direction of supplementary private funding for schools have not failed to give rise to debate and contention in a number of countries.

In Germany, while exploration of supplementary private funding options for schools is in its infancy, some voice the fear that outside interests such as sponsors could influence the schools' activities, and teaching in particular. Recent experience shows that this fear is unfounded and that sponsors' interest extends only as far as promoting their image via the connection with the school. Nevertheless, there is worry over whether plans to expose schools to the free market to compensate for current difficulties in public financing could threaten the standards of educational provision.

In France, while *collèges* may earn money from publicity, the 'culture' of education is very hostile to this and the perception is that the financial participation of business is dangerous.

In Italy, opponents have raised the spectre of the subjugation of education to the market, which may be inherent in the financial involvement of business/client interests. It has also been pointed out that, potentially, schools located in richer regions will have a considerable advantage over those in regions which are poorer given that they are better placed to attract funding from local, private organizations.

In Austria, the question of the extent to which individual schools should be granted partial legal capacity and allowed to raise funds on their own is integral to the wider debate on school autonomy and funding. Some, especially within the teaching profession, criticize the government's motives for increasing school autonomy, saying that the delegation of greater decision-making powers to schools in the area of resources is just an excuse for it to abandon the political responsibility for adequate school funding.

E. SUMMARY

This chapter looked at the freedom granted to schools to obtain supplementary resources from the private sector.

In general, it might be said that there is an increased consciousness of the potential contribution private resources can make to the funding of compulsory education. This is evidenced by the introduction of measures to enlarge the range of sources of revenue available to schools (in some cases as part of moves to increase the autonomy of schools and to create links with the external environment or supplement limited public funds). This consciousness is also evidenced by regulation of existing private funding possibilities in anticipation of the fact that increased usage will demand this.

The State's circumscription of school freedom with respect to these resources appears to be rooted in issues such as the following: the need to preserve the uniformity, quality and impartiality of compulsory education provision; school's duty of care and responsibility with respect to children; ownership of school property; and institutional/state liability where schools enter into external agreements. In some countries, it may also reflect traditional views of the State's responsibility to provide for education and guarantee the final product.

However, beyond the removal of legislative obstacles to freedom to seek supplementary private funds is the issue of cultural and political attitudes. In practice, despite no or minimalist state regulation regarding some channels of private finance, such channels are not exploited, or not exploited to the full. This may stem from the view that the involvement of private finance is dangerous because of the threat of the undue influence of private interests on the nature of education (France, Germany, Italy) or because of fear of the abdication of the State's responsibility (Austria). School custom also influences how far a country has made inroads into the private resource question. In some countries, there is an absence of legislation in the matter rather than express prohibitions because there is no tradition in this area. All this might suggest that, for private funding opportunities to be taken up by schools, there has to be a cultural shift in attitudes. This might be engineered through proactive government policies. For example, in the United Kingdom, the government instigated the *Private Finance Initiative* and the *New Deal for Schools*: the introduction of both clearly represented a conscious effort to involve the private sector in educational developments and give it an officially recognized part to play in them.

CHAPTER 6

EDUCATION AND MARKET COMPETITION

Over ten years since the fall of the Berlin Wall, commentators are in general agreement that free market enterprise and trade which are barely, if at all, regulated have become the norm throughout most of the world. While this vast tendency to liberalize markets is welcomed by some and dreaded by others, it is regarded as virtually inevitable by all. The limits on State intervention implied by it have also become conspicuous in sectors which, in the past, were entitled to protected status (¹). Transport, postal services, telecommunications and energy have already accepted the logic of the competitive market, or will do so in the near future. This development has been fuelled further by the budgetary difficulties confronting most European countries. The need to limit spending to protect state support for a number of public services has encouraged the political authorities to adopt privatization as a solution.

Under these circumstances, there is far from general agreement as to what should be done about education. Should it, too, be subject to privatization? If so, to what extent and in accordance with what forms and procedures? While, naturally, the situation varies depending on the social, economic and historical circumstances of countries, answers to these questions depend also on the political standpoint of any analysis. Some people are wholeheartedly in favour of the total or partial application of free market principles to education. Others are firmly opposed to it.

Any study of how resources are awarded to schools should help to shed light on the issues involved in this debate rigorously and in a way based as much on its theoretical aspects as on what countries do in practice. The aim should be not so much to determine whether competition between schools is desirable or harmful, as to examine whether it is actually achievable, bearing in mind that in some countries it has become a clearly stated intention of educational policy.

The central question raised in the present chapter is as follows. Are systems of primary and lower secondary education organized in accordance with free market principles? More specifically, we shall consider whether circumstances required for the implementation of perfect competition between schools actually exist in the countries covered by this study. In order to answer the question, the chapter is structured into three sections. The first attempts a definition, as a theoretical reference point, of the concept of a market in which there is perfect competition. It sets out the visible features of markets to which this applies, and the reasons why they are often regarded as an appropriate reference or, indeed, an ideal to aim at. The section also examines the conceptual adjustments required if this notional framework is to be applied to the sector of education. The second section analyses the situation in the European Union and EFTA/EEA countries from the special standpoint of factors characterizing competitive markets. For each of the characteristics identified in the first section, it gives an account of actual practice in the countries concerned. There is repeated reference to aspects discussed in preceding chapters. The third section summarizes this information so as clearly to point up considerations relevant to answering the chapter's basic question, namely the extent to which education systems in the EU and EFTA/EEA countries reflect the principles of competitive market models. It may be noted from the outset that its findings will be qualified, given that perfect competition is a helpful theoretical reference point for discussion purposes, rather than a concrete reality.

Unlike previous chapters, the present one discusses systems of funding as they exist at present. No reference is made to the historical circumstances under which reforms have occurred, nor to the contextual factors that have given rise to them. It would thus be an oversimplification to claim that current funding systems have been conditioned solely by economic free market principles. Some features of systems may become involved in liberalizing the 'market' for education without, however, having been introduced for that purpose.

(¹) For example, sectors in which the State has a monopoly.

The interest inherent in this analysis will no doubt vary from one country to the next. In some of them, the debate on the desirability of inducing competition between schools has not taken place, while in others it is has progressed beyond this level. We nevertheless consider that it is of some interest to discuss impartially the notion of perfect competition alongside the real characteristics of education systems. Although the Eurydice National Units and national experts who were involved in preparing the study assisted us in situating countries with respect to the various features examined, the Eurydice European Unit assumes responsibility for the content of the chapter.

I. A THEORETICAL FRAMEWORK

The theoretical framework on which the present chapter is based has been inspired by a particular school of economic theory. Although not all subscribe to it, this so called 'neo-classical' school currently has a larger following than any other, particularly in the English-speaking world.

A. MARKETS IN PERFECT COMPETITION

A market economy comprises a proliferation of markets in which producers and consumers exchange goods and services. The natural result of the contact established between these two groups of vested interests is a (monetary) price. The spontaneous nature of this kind of price-fixing precludes the need for state intervention in economic activity.

Not all markets are alike. Their historical development, specific technical features linked to production of goods exchanged in them and the nature of those goods, etc., affect their general characteristics and operations and, therefore, what happens as a result. For this reason, study of economic markets has focused, for reference purposes, on a theoretical model very clearly identified as a market in a state of perfect competition

Chapter 6, point A.1 below describes such a market, while Chapter 6, point A.2 discusses how its characteristics affect those involved in its activity.

A.1. CHARACTERISTICS OF A MARKET IN A STATE OF PERFECT COMPETITION

Not all markets are in this state. Certain conditions have to be met simultaneously if they are to be so.

A.1.1. Vested market interests

Parties with economic interests are generally assumed to behave in the way that will ensure them the greatest personal gain. For consumers, this means maximizing their level of personal satisfaction in a manner consistent with the restrictions facing them (those of income, in particular). Firms, for their part, are supposed (1) to seek the highest possible profit levels consistent with the need to produce or provide the goods and services exchanged.

A.1.2. Fragmentation of supply

A market in a state of perfect competition includes a virtually limitless number of 'sellers' all independent from each other, so that one alone can have no impact on the market as a whole. Such a market therefore rules out any form of agreement between firms, such as the formation of cartels, which would enable some or all firms to exercise a degree of market control.

---

(1) 'Supposed' here does not mean that this is desirable but that, as a working hypothesis, it usually provides a fairly reliable guide to what actually happens. It has been challenged in studies which suggest, for example, that firms maximize their turnover rather than their profits.

A.1.3. Product homogeneity

Where a market is in a state of perfect competition, the product or service exchanged in it is homogeneous in the sense that it is identical in appearance, quality and characteristics, regardless of the firm that supplies it. Such is the case, for example, of certain raw products, including cement, electricity, oil, water and copper.

Many markets display some degree of differentiation. This may be horizontal in so far as differences between goods and services are perceived in a variety of ways by consumers (some of whom will prefer red cars, others blue), or vertical in so far as all consumers have the same preferences, especially where there are differences in quality (so that the immense majority prefer a comfortable reliable car to one that is old and run-down).

Strictly speaking, therefore, these differentiated product markets cannot be regarded as in a state of perfect competition because the goods exchanged in them are not absolutely identical. If a product or service is in the slightest way distinguishable from others, its producer has to be regarded as the only one who sells it.

A.1.4. Full information

A corollary of the fragmentation of supply is that all agencies, producers and consumers should be fully informed. It is of little interest that a great many sellers share the market if consumers are familiar with only one or two. This information must extend to the characteristics of an economic good or service, as well as to its price.

A.1.5. Perfect mobility

Yet another corollary of the fragmentation of supply is perfect consumer mobility. No market can be in a state of perfect competition if consumers are unable for any reason to access all its producers. True competition between the latter requires that consumers should be able to turn to any of them without difficulty.

A.2. THE BENEFITS OF MARKETS IN A STATE OF PERFECT COMPETITION

The existence of competition between firms requires that they lower their prices as much as possible to retain their market share and maximize profits. The ability of a firm to resist doing so depends on the structure of its production costs. For this reason, it is vital that competing firms control their expenditure and constantly seek out the formula consistent with goods or services supplied as cheaply as possible. Competition is perceived as a system in which efficiency and wastage are relentlessly rooted out and the use of resources is optimized, simply because this is in the producer's interest. Theoretically, competition ensures the internal efficiency of the firm (1).

Economic theory (2) demonstrates that there is also some gain to consumers in a perfectly competitive market which simultaneously satisfies all conditions described under Chapter 6, point A.1. It is a common-sense conclusion that it is preferable for them to be able to contact several producers (providers) without being forced to buy what they want from a monopoly supplier. Indeed, market confrontation is more to their advantage, as the expression 'allow competition a free rein' suggests.

---

(1) Internal efficiency combines two notions: technical efficiency implying that the production observed is the maximum quantity that can be produced with the factors of production available, and economic efficiency which guarantees that it would not have been possible to produce the same quantity of the article concerned with a more lightweight combination of factors of production.

(2) Adam Smith was the first to examine this question and shed light on its mechanisms. See SMITH, A., *The Wealth of Nations*, Dent, London, 1981.

Where there is traditional supply and demand, prices in a market characterized by perfect competition are systematically lower than those that would be observed if the market was monopolistic or oligopolistic (1). It can be demonstrated that consumer well-being is greater in the first case.

These findings regarding the individual satisfaction of consumers, but without any reference to the important issues of social justice and fairness, have not been without influence on economic or even political life.

Back in 1957, for example, Article 85 (2) of the Treaty of Rome established perfect competition as the market model towards which all markets would normally tend by prohibiting 'all agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market ...'.

The economic theory of general equilibrium has extended research to the entire economy viewed as the interplay of several markets. These markets relate to goods and services, on the one hand, and factors of production (labour and capital) on the other. This theory moves beyond a single market considered in isolation to examine the results arising from interaction between all markets.

From this conceptual angle, Arrow and Debreu (3) have demonstrated that, in accordance with certain hypotheses, an economy in which any number of markets exist side by side results in an optimal situation in the sense defined by Pareto (4) if all these markets are in a state of perfect competition.

While this theory highlights one important characteristic of markets in a state of perfect competition, it does not consider other features of the economic system. Although such markets are efficient, there is nothing to indicate that they are necessarily just, fair or characterized by a sense of solidarity. Notwithstanding these major limitations, the conclusion as to efficiency has had many theoretical and political ramifications. Certain politicians have assumed, somewhat over-hastily (5), that every effort should be made to achieve this ideal situation in which markets are in a state of perfect competition. The neo-liberal policies of Ronald Reagan and Margaret Thatcher, in particular, which have been advocated by a certain number of international institutions have gradually established themselves as an authoritative economic norm, even a universally acknowledged necessity.

The market is therefore perceived by some as a system which, driven by individualistic behaviour, constructs its own desirable natural order in which the public authorities are meant to play a very minor part.

This political trend was predominant throughout the 1980s and 1990s and supported in particular by the major international organizations (the International Monetary Fund, World Bank, OECD, GATT/WTO). The dogmatism underlying it is now, however, being challenged to some extent, as is clear from this extract from a speech by Joseph Stiglitz (6) in January 1998.

---

(1) A market structure in which a limited number of sellers offer their goods to a large number of would-be buyers.

(2) This Article was carried over (as Article 81) into the Treaty of Maastricht.

(3) Kenneth Arrow and Gérard Debreu received the Nobel Prize for economics in 1972 and 1983, respectively. For their theorem setting the foundations of the theory of general equilibrium, see in particular Debreu, G., *Theory of Value*, Wiley, New-York, 1959.

(4) An 'optimal situation in the sense defined by Pareto' means that it would not be technicaly possible, by means of an exchange of goods and/or working time, to increase further the satisfaction of any consumer at a given time without doing so at the expense of another consumer. This implies that it is a situation in which no satisfaction is wasted.

(5) The hypotheses which resulted in the findings of Arrow and Debreu are relatively limited: the economy considered displays neither 'externality' – no transaction induces any (positive or negative) impact on any agencies other than those involved in it – nor public good; its production functions are eventually characterized by diminishing returns on scale (preventing the formation of giant firms which would naturally constitute a monopoly situation). In addition, all these markets have to be in a state of perfect competition, without which the result is not a foregone conclusion.

(6) Speech of 7 January 1998, given as the 1998 WIDER Annual Lecture. Readers may consult the entire text on the World Bank website: <http//:www.worldbank.org>. At the time of the speech, Joseph Stiglitz held the posts of Senior Vice President and Chief Economist at the World Bank.

'The Washington consensus (1) held that good economic performance required liberalized trade, macroeconomic stability, and getting prices right. Once the government dealt with these issues – essentially, once the government "got out of the way" – private markets would allocate resources efficiently and generate robust growth. To be sure, all of these are important for markets to work well: it is very difficult for investors to make good decisions when inflation is running at 100 percent a year and highly variable. But the policies advanced by the Washington consensus are not complete, and they are sometimes misguided. Making markets work requires more than just low inflation: it requires sound financial regulation, competition policy, and policies to facilitate the transfer of technology and to encourage transparency, to cite some fundamental issues neglected by the Washington consensus.

Our understanding of the instruments to promote well-functioning markets has also improved, and we have broadened the objectives of development to include other goals, such as sustained development, egalitarian development, and democratic development. An important part of development today is seeking complementary strategies that advance these goals simultaneously. In our search for these policies, however, we should not ignore the inevitable trade-offs.'

It should be noted that while the model of pure perfect competition may maximize consumer satisfaction, it totally eliminates the profit of firms. As a result, the latter develop strategies aimed at limiting this competition in order to re-establish their profit margins. Such strategies include product differentiation (2) and the formation of cartels (3). Strict regulation is thus required if a state of real perfect competition is to be maintained. European legislation regarding agreements between firms, to which reference has already been made, illustrates this principle. A market in a state of perfect competition will only remain so if it is strictly regulated.

B. THEORETICAL APPLICATION TO EDUCATION

B.1. THEORETICAL LIMITS TO THE COMPARISON

Similarities/corresponding features

The first – theoretical – attempt to apply to education economic theories developed originally to analyse markets of 'conventional' goods and services dates from the 1960s and the development of human capital theory. This theory draws attention to the sense in which education is an investment in so far as it can boost the productivity of the future workforce it is educating and thus result in higher wages for the workers concerned. As such, it is shown to be a productive process that has a cost, produces a certain outcome at a later stage and carries some degree of risk like any other financial investment. Aspects of economic theory are thus applied to it in an adapted form where necessary, and seek primarily to determine the level of education that it is in a person's interest to achieve, and which society should ideally deliver.

---

(1) Prior to the end of the 1970s, international institutions such as the IMF and World Bank did not comment on the economic and social model adopted by member countries. Whether in the case of 'self-run' industry in former Yugoslavia or collective agriculture in Tanzania, the role of these organizations was restricted to suggesting improvements in the social and economic system that their peoples were supposed to have opted for in accordance with their sovereignty.
Following the neo-liberal landslide that brought to power political leaders such as Ronald Reagan (1981-89) in the United States and Margaret Thatcher (1979-90) in the United Kingdom, this situation changed. One after another, the international institutions began to advocate a specific model of society which all countries should strive to achieve through privatization, the freeing up of capital flow, and cutting back on the scale and role of state intervention, etc.
This highly ideological approach which was offered as the sole blueprint for development (and the only one these institutions were willing to finance) became known as the 'Washington consensus'. This was not because it was supported by the American government which, from the start of the Bush presidency (1989-93) and even more so during that of Bill Clinton (1993-), had become more lukewarm about it, but because the institutions on which its existence depended (above all the World Bank and the IMF) had their headquarters in the American capital. Vergara, F., 'Du rififi dans les institutions internationales', *L'état du monde 2000*, La Découverte editions, 1999, p. 74.

(2) This is why motor manufacturers are eager to point out the differences that exist between their models and others on the market or, similarly, why some clothes manufacturers insist that their articles are not the same as others, etc.

(3) This means an agreement between all or some of the firms operating in a market to reduce the quantity of the product available on it in order to force up its price. The best known example is that of the Organisation of Petroleum Exporting Countries (OPEC). For information on the formation and stability of cartels, see D'Aspremont, Jacquemin, Gabszewicz, Weymark, 'On the Stability of collusive price leadership', *Canadian Journal of Economics*, 16, 1983, pp. 17-25.

Alongside human capital theory, the role of education in producing 'a consumer good' has been acknowledged but rarely studied. Deliberately experiencing education procures immediate satisfaction (through the pleasure derived from learning) which has to square with its 'price'. From this standpoint, and bearing in mind the difficulties encountered in attributing monetary values to the elements of the analysis, education may be regarded in the same way as any other conventional product or service and subject to a market deal.

This being so, the way in which classical economic concepts may be applied to the field of education has to be clearly defined.

The 'consumers' are children and their parents, considered as a single entity, and the 'manufacturers' are schools.

The 'goods' or 'services' in question are the provision of lessons, qualifications and admission to the higher levels of education. Their 'price' is the total expenditure (1) directly incurred by parents so that their children can attend school. It may include direct costs (fees) and indirect costs (purchase of school materials, contributions to transport to and from school, etc.).

While 'maximizing consumer satisfaction' can readily be taken to refer to parents who choose their preferred school with due regard for restrictions to which they may be subject (2), an analogy of this kind is harder when considering the aims pursued by firms/schools.

It will be recalled that economic theory assumes that firms operating in conventional markets strive to behave in a way that will maximize their profits. However, the aims of those who run educational institutions depend on their environment and the room for manoeuvre available to them. For example, systems with a certain degree of managerial autonomy may encourage school governing bodies to maximize the financial resources at their disposal, because they provide opportunities to finance educational schemes that are interesting.

Limits to market theory in the case of education

It is important to emphasize the differences between a market as normally understood and education:

- The mechanism which leads private firms to be technically efficient is very closely linked to the price of their goods. Firms, indeed, have constantly to search for the most efficient means of production resulting in the lowest cost, in order to be able to lower their sales prices and retain their share of the market and/or raise their profit margins. By contrast, primary and lower secondary schooling are offered free of charge, at least as regards their direct costs. The public authorities and/or schools may lower their indirect costs by bearing all or some of them through (for example) laying on free transport, reducing the cost of school meals or providing pupils with their learning materials. However, such measures often relate to side aspects that bear little comparison with the real cost of education which is itself free. From this angle, schools have limited leeway. By contrast, they can enter into competition in terms of the quality of their educational provision so as to increase their 'market share', as opposed to virtually non-existent profit margins;
- because schooling is normally compulsory, 'consumers' have to purchase it. This is not usually the case for goods subject to normal market transactions, whose purchase is undertaken freely. There are nevertheless other goods whose acquisition is virtually essential for survival such as a minimum of water and a sheltered place to live, etc. It should be noted that, in some countries, products of this kind are subject to legislation ensuring that suppliers guarantee consumers free or very cheap access to their minimum water and electricity requirements, for example. In others, the supply of such utilities is totally unaffected by market forces;

---

(1) The question of taxation is not considered here, since it applies as much to those who are parents as those who are not.

(2) Adapting the concept of maximum consumer satisfaction to parents as consumers is less straightforward than would appear at first sight, since the criteria by which parents choose (their child's school) are not always entirely clear.

- it is unusual for pupils to change their school during a school year. As a result, the market operates just once a year when they (re-)enrol. Furthermore, as in the case of certain conventional products (1), the loyalty of 'consumers' to their schools is often quite considerable;
- in contrast to most goods whose use does no more than satisfy the consumer who purchases them, education gives rise to positive external spin-off (2) meaning that, while the person who obtains it derives pleasure from doing do, the rest of society also benefits. This justifies the intervention of the public authorities to fund education for the purpose of boosting its take-up over and above strictly private demand for it;
- the 'production' of education is generally subject to economies of scale, which means that its average cost per pupil falls when school enrolment rises. This is because education calls for the planning of a certain common infrastructure which, once in place, results in only modest marginal costs for every additional child enrolled (3). In classical market economies, production is generally considered to result eventually in diminishing returns on scale.

B.2. CHARACTERISTICS OF 'EDUCATIONAL MARKETS'

The various characteristics of markets for goods and services may be examined in relation to education.

B.2.1. Interest on the part of producers

While private firms seek to maximize their profits, the logic of schools is somewhat different. While analysing the motivations of all those individually involved in school activity would be an enormous task, it may generally be concluded that schools, as collective entities, set out to offer pupils education of the best possible quality consistent with limits to the professional effort that teachers can reasonably be expected to invest in ensuring it. Pursuit of this aim relies in particular (though not exclusively) on projects that call for resources. One of the intermediate aims of schools may therefore be to maximize the resources at their disposal.

While the method of funding or, in other words, the relation between a technique for determining the volume of resources and criteria taken into account for this purpose, is not a variable with a direct bearing on the competitive nature of a market, it is essential for the latter to exist. This is because a market cannot function if the supplier of a product or service is not remunerated in direct proportion to what is supplied. In the case of education, therefore, only per capita funding (or funding in proportion to the number of classes in operation) may be associated with activity governed by the principles of markets in a state of perfect competition

In the per capita funding of schools, there is a linear relation between the amount of resources allocated to them and the number of pupils they enrol. However, the total number of pupils is limited, with the result that a pupil who attends a particular school, thereby entitling it to certain resources, simultaneously deprives other schools of an allocation of the same amount. All other things being equal, therefore, it is in the interest of schools to enrol as many pupils as possible so that they have the greatest possible volume of resources at their disposal.

---

(1) For example, in many countries, very few 'consumers' change bank (which explains why banks do so much to attract very young customers), or the make of their car. Thus reluctance to change schools may be regarded as inhibiting competition.

(2) This means the positive or negative impact of a market transaction on agencies other than those directly involved in it. If the manufacture of a product results in extensive pollution, it has an impact on interests other than the manufacturer and those who buy the product (inconvenience caused to those resident in the polluted area). Conversely, those living next to a cornfield gain pleasure from the sight of it in summertime although they are not directly involved in the deal linking the farmer and purchaser of the corn.
Similarly, the whole of society may gain from the fact that someone has been educated. Such a person can generally secure jobs calling for higher qualifications, with higher wages and greater social prestige. In some cases, the person also derives a certain satisfaction from knowing more and improving his or her understanding of the world we live in. Over and above these strictly personal benefits, the community also gains from educating the individual concerned. For example, the skills of an engineer may lead to the development of tools and/or working methods which make all workers more productive. Education is also an important vehicle for socializing people, a goal whose value, though impossible to estimate, is no less real.

(3) Congestion phenomena may however limit or even cancel out these economies of scale.

From this it follows that while there may occasionally, under certain circumstances, be other reasons why schools wish to enrol the greatest possible number of pupils, per capita funding unquestionably stimulates the emergence of competition between schools. It should be borne in mind that although this is not necessarily the intention of the public authorities who opt for such funding – for example, their intention may be, rather, to have a reliable indicator of school requirements – it is certainly one of the consequences.

B.2.2. The number of producers and consumers

Perfect competition between schools requires that consumers are able to choose from among a considerable number of schools that are unrelated to each other in any way. While the number of schools is relatively large in all countries, it must obviously be viewed in conjunction with the real possibility of attending them and, therefore, with the issue of consumer mobility (see below). The same set of circumstances also presupposes that these schools are separate independent entities which enjoy real administrative autonomy, unlike those which, because they are closely bound by ministerial or local authority decisions, may be regarded as analogous to the subsidiaries of a monopoly concern.

B.2.3. 'Product' homogeneity

The product is the provision of lessons, qualifications and admission to the higher levels of education. Perfect product homogeneity is impossible, since it would imply that lessons were taught in strictly the same way in all schools. However, various levels of homogeneity/differentiation (horizontal as well as vertical) may be established, depending on the origin of the differences characterizing them:

- curricula may be the same in all schools (because they are centrally determined at national level), or the latter may enjoy a degree of autonomy in deciding what subjects will be taught, with the result that there is some distinction between them;
- the selection of study options offered pupils is a possible source of variation. It may be regulated on a consistent basis at national level or determined by schools;
- the requirements of individual teachers, the level at which subjects are taught, the tendency to enrol pupils from particular social groups, etc. are sources of differentiation;
- out-of-school activities (excursions, child-minding, etc.) may be the same in all schools or, alternatively, schools may to some extent be autonomous in this respect;
- school installations and facilities (gymnasiums, computer rooms, libraries, swimming pools, etc.) are an additional source of differentiation;
- teaching methods and basic aims may vary from one school to the next, as may denominational or non-denominational identity;

As already indicated, perfect competition which, in theory, is regarded as desirable by consumers, is not welcomed by firms, which tend to differentiate their products in order to limit it. In the context of education, this has been witnessed in those countries in which schools have long enjoyed substantial autonomy, and adopted strategies for broadening the range of study options available.

Furthermore, it is sometimes recommended that schools should all be different so that parents have an opportunity to find a 'product' which as far as possible matches their expectations. However, this runs counter to the theoretical preference for markets in which competition is as near as possible perfect.

B.2.4. Consumer information

If there is to be a real choice between producers, consumers have to be fully informed as to the characteristics of their various products, and the prices at which they are sold. Applied to the 'market' for education, this concept relates to the information available to parents regarding the educational provision of different schools and the fees they charge.

The publication of school ratings based on the main school exam results of their pupils or the subsequent performance of their (former) pupils in higher education is – notwithstanding the limits to any such exercise (1) – an example of a practice aimed at informing the 'consumers' of education more effectively.

B.2.5. Consumer mobility

If perfect competition is to be achieved, it is not enough for a country to have a great many schools. They also all have to be accessible to all consumers. Parents, in fact, only really have a choice between schools that can be accessed, because they are located close to their home, or because there are boarding arrangements or, yet again, because transport facilities can be provided for pupils on reasonable terms (as regards time and money).

B.3. THREE MAIN MODELS FOR THE MANAGEMENT OF SCHOOLS

Three main models for the management of schools may be identified, each with its own distinctive logic, as follows: the model of regulated competition, that of non-regulated competition and the model of organized planning by the public authorities. Although none of them exist in their purest form in the European Union and EFTA/EEA countries, they will serve as theoretical benchmarks in analysing the systems in operation in the various countries.

B.3.1. The regulated competition model

The logic of this model assumes that the 'market' for education should move as closely as possible to a state of perfect competition regarded as an ideal situation. It will be recalled that perfect competition is a self-destructive system, in so far as firms generally tend to reposition themselves and differentiate their products. As a result, action has to be taken by an independent authority to regulate the 'market'. In education, this means, amongst other things, that the public authorities ensure that curricula are compatible and consistent, and that there are enough schools to guarantee a real choice. Regulations are thus introduced to improve and increase the parental choice of schools, and to encourage competitiveness between them, thereby ensuring, amongst other things, that school authorities strive to eradicate wastage of resources and use those at their disposal as 'productively' as possible.

In its 'purest' form, this model displays the following characteristics:

- A free parental choice of school, meaning that parents can enrol their child at their preferred school from among a reasonable selection. In particular, this implies the existence of transport facilities making it possible to attend more distant schools, helpful information about the performance of schools and, where fees exist, fee levels that are the same in all schools or cause parents no financial difficulties (2);
- homogeneity of the 'product' or, in other words, relatively strict regulations regarding the subjects that should be taught, as well as general education principles with which all schools are expected to comply;
- a system that encourages schools to enrol the maximum number of pupils. One way of achieving this may be per capita funding. This is because funding whose amount is directly proportional to the number of pupils provides schools with an incentive to enrol as many as possible and make optimal use of all its available resources to enhance the attractiveness of its image.

---

(1) Simply publishing information of this kind is not, in itself, enough. Parents also have to be able to interpret it correctly. Besides, it is too often limited to solely quantifiable results, with no regard for either the processes related to 'production' which are not directly measurable, or the quality of school activities or, indeed, for what is acquired in terms of 'added value' as a result of having attended the school.

(2) The existence of fees poses no conceptual problem. However, in the present context, it is important that fees do not distort competition between schools, and that no school acquires a competitive advantage because its fees are lower than those of others.

B.3.2. The model of non-regulated competition

Like the pure competition model, this one advocates that schools should become competitive, primarily because this is liable to heighten the sense of responsibility of those most closely associated with the work of schools and thus encourage them to eliminate all forms of wastage in the use of resources.

However, rather than viewing education as a regulated 'market', this model gives priority to the strategy of non-regulation, or the absence of legislation obliging the structure of the market to remain geared to perfect competition.

Schools are made to compete in order to ensure that education is 'produced' at minimal cost without, however, attempting to make competition part of a 'perfect' market in which the goods exchanged are as homogeneous as possible.

From a strictly theoretical point of view, it can not be assumed that this kind of situation rules out any wastage of satisfaction. On the other hand, broadening the range of 'products' (courses) on offer is regarded as an advantage for the 'consumers' (pupils and their parents) who are more readily able to find a product (educational service) corresponding to their personal preferences or any intellectual or financial restrictions to which they may be subject.

Adoption of the logic of this model by the political authorities implies that the system will have the following characteristics:

- as in the case of the model for regulated competition, schools are made to compete with each other, for example by means of a per capita form of funding;
- schools have considerable autonomy as regards the content of curricula, subjects taught, extra-curricular activities, fees, etc.;
- as in the case of the model for regulated competition, the freedom of parents to choose a school is guaranteed, both directly (in that they can enrol their child in any school) and indirectly (because they benefit from subsidized transport, quality information, etc.).

Over and above these characteristics is a certain spontaneous tendency for schools to merge so as to gain greater benefit from economies of scale and/or point up differences between them.

B.3.3. The model of planning by the public authorities

The aim of getting schools to compete with each other to achieve more efficient use of resources is not pursued in this model which exhibits a certain degree of centralization in school management. This may be either because the administrative authorities have developed a system of supervising schools which is deemed satisfactory in avoiding wastage, or because the gains in 'productivity' derived from competition are regarded as less important than other objectives concerned, for example, with the quality (1) of education, equality between pupils and/or the need to regulate the distribution of resources to schools with a view to correcting excessive differences between them.

In this model, it is often necessary – though not a compulsory requirement – for enrolments to be planned to some extent so as to arrive at a level of enrolment in each school with due regard for its particular characteristics. Regulations may, as a result, limit parental freedom of choice.

---

(1) It should be noted that those in favour of the other two models argue that competition obliges schools to provide quality education, failing which very well-informed parents will gradually abandon them; that the very survival of schools means that they have to provide top quality education.
However, the question that this raises is whether there is unanimous agreement between parents and the public authorities as to what constitutes 'quality' education. Parents might attach greater importance to certain areas of learning more suited to the personal development of their child (personal skills) whereas the public authorities might seek to nurture qualities/skills with a greater collective emphasis (a civic sense, for example). The choice of one or other model therefore has implications for the very nature of the service provided.

School autonomy is also severely restricted. Where there is differentiation between schools, this is at the wish of the public authorities and not the result of a choice or decision taken by the former.

Planning of this kind does not mean that resources are necessarily wasted. For example, it may turn possible economies of scale to good account, or even achieve a socially desirable balance between efficiency and fairness.

A model of centralized school management is accordingly characterized by the following:

- no parental freedom to choose the school their children will attend;
- relatively limited school autonomy in securing differentiated educational provision;
- a lack of competition between schools (mainly because they do not have to compete for pupils);
- significant intervention by the public authorities in the funding but also the management of schools.

B.3.4. Discussion

From a theoretical standpoint, there is nothing to support the claim that a highly centralized system cannot be technically efficient or, in other words, result in the maximum amount of education at minimal cost. Theoretically, it might be considered that the public authorities are perfectly well informed as to the needs perceived within schools and, therefore, able to satisfy them in the most appropriate way. However, from a practical point of view, one has to question the real efficiency of this kind of provision. After all, who better than the direct users of schools can recognize the needs that arise in them; who better than the school authorities can decide whether resources should be invested as a priority in, for example, computer equipment or the sports infrastructure? It is this, indeed, which partly justifies reliance on the competitive model, whether or not it is regulated.

On the other hand, what this model cannot provide for, in contrast to a system managed by the public authorities, are decisions as to which schools get what resources. It is one thing to ensure that schools use the resources awarded to them in the best possible way, but quite another to know whether there is an optimal distribution of resources between them. It is considerations of fairness and the need to compensate for 'natural' inequalities, etc. that justify the existence of a method for awarding resources which is not governed by free market principles.

BEC
337

II. THE POSITION OF COUNTRIES WITH RESPECT TO SCHOOL MANAGEMENT MODELS

The present section examines the extent to which the different European Union and EFTA/EEA countries exhibit the characteristics of the three general models of school management outlined in Chapter 6, point I.B.3.

At all stages of the analysis, a school will be considered as an entity represented either by the school head or a governing body. The division of internal school decision-making is not considered.

A. THE NEED FOR SCHOOLS TO BE ATTRACTIVE

In several countries, the resources obtained by schools are directly related to their enrolment levels (see Chapter 3). However, this statement needs to be qualified in so far as precise circumstances may depend on the category of resources and other relevant factors.

In several countries, decisions regarding the amounts of resources are at the entire discretion of an administrative authority. While the latter may devote special attention to the number of pupils in reaching a decision, its impact on the extent to which schools will be motivated to attract as many pupils as possible will not necessarily be as great as in cases where the criteria governing decision-making in this area are perfectly transparent.

Information on this is set out in Figure 6.1. The first column lists countries in which there is a shortage of information because decision-making is decentralized. In the countries concerned, various techniques for determining the amount of resources awarded exist alongside each other. The second column lists countries in which there is either a systematically applied rule but without using the number of pupils and/or classes as an indicator or, alternatively, no such rule at all. In neither case is the system conducive to motivating schools to attract a maximum number of pupils.

FIGURE 6.1: INDICATORS FOR DETERMINING THE AMOUNT OF RESOURCES AWARDED TO SCHOOLS, 1997/98

INDICATORS THAT VARY DEPENDING ON THE LOCAL AUTHORITY CONCERNED	NO ACCOUNT TAKEN OF THE NUMBER OF PUPILS/CLASSES	THE NUMBER OF PUPILS, CLASSES AND/OR TIMETABLE REQUIREMENTS ARE TAKEN INTO ACCOUNT
	STAFF	
DK, FIN, S, **LI** (p)	**LI** (s)	**B, D, EL, E, F, IRL, I, NL, A, P, UK,** **IS, NO**
	OPERATIONAL RESOURCES	
DK, D, EL, E, F, A (p, HS, PS), **P** (1st stage of *ensino básico*), **FIN, S,** **NO**		**B, IRL, I, NL, A** (AHS), **P** (2nd and 3rd stages of *ensino básico*), **UK,** **IS, LI**
	CAPITAL	
DK, EL, E (p), **F, I, NL,** **A** (p, HS, PS), **P, FIN, S, UK,** **LI** (p), **NO**	**E** (s), **IRL, L, A** (AHS), **LI** (s)	**B, D,** **IS**

(p) = primary (s) = lower secondary

Source: Eurydice.

The third column lists countries in which the number of pupils, the number of classes, or the timetable requirements arising from them, are criteria officially used in determining the amount of resources awarded to schools. Funding that depends on the number of classes in operation provides greater incentive to schools to adopt strategies that will lead parents to favour them. The provision of classes means reaching critical thresholds in the number of pupils who attend a school. The marginal contribution of individual pupils in terms of the additional resources to which they entitle schools is not therefore a constant. The incentive to attract the greatest possible number of pupils is thus not as strong as in cases in which the amount of resources awarded depends directly on a school's enrolment.

B. THE NUMBER OF SCHOOLS WHICH ARE UNRELATED INDEPENDENT ENTITIES

B.1. FREEDOM TO CHOOSE A SCHOOL

Two factors governing the freedom to choose a school may be noted: legislation on such freedom of choice in the public sector, and the existence of grant-aided private education offering a real alternative to public education.

Information concerning these factors has already been provided in Chapter 1, points II.A and II.B. We shall do no more than summarize them here.

B.1.1. Legislation relating to freedom to choose a school in the public sector

Clearly, freedom to choose a school is the first condition on which the mobility of pupils depends. Freedom is total only when the public authorities do not take action to regulate the number of pupils in schools, which is very rarely the case. When a school reaches its maximum enrolment capacity, the public authorities generally channel pupils towards other schools. Indeed, there is some degree of contradiction between the idea of improving the efficiency of schools by offering parents freedom of choice and sacrificing efficiency through excess expenditure on buildings and facilities linked to the mobility of pupils. Categories 3 and 4 of Figure 6.2 appear very similar in so far as, in both cases, parents have freedom of choice. Yet the difference between the two categories is considerable. For schools in category 4, the scope for reducing or increasing pupil enrolments is much greater than for those in category 3, with the result that competition between the latter is weaker.

FIGURE 6.2: FREEDOM TO CHOOSE A SCHOOL IN THE PUBLIC SECTOR, 1997/98

CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4
NO REAL CHOICE: PUPILS ARE ALLOCATED A SCHOOL (EXCEPT IN CASES OF SPECIAL DISPENSATION)	PUPILS ARE ALLOCATED A SCHOOL BUT PARENTS MAY CHOOSE AN ALTERNATIVE ONE	PARENTS CHOOSE A SCHOOL BUT THE PUBLIC AUTHORITIES MAY INTERVENE IF ITS ENROLMENT CAPACITY IS OVERSTRETCHED	PARENTS CHOOSE A SCHOOL FREELY, WITH NO ACTION BY THE PUBLIC AUTHORITIES TO REGULATE PUPIL NUMBERS
D (p, HS), **EL**, **F**, **L** (p), **P**	**DK**, **A** (p), **FIN**, **S**, **UK (SC)**, **IS**, **LI**, **NO**	**D** (s), **E**, **I**, **A** (HS, AHS), **S**, **UK (E/W/NI)**	**B**, **IRL**, **L** (s), **NL**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: In the case of secondary schools without catchment areas *(Gymnasium, Realschule, Schularten mit mehreren Bildungsgängen)*, parents are in principle able to choose a school for their child.

Netherlands: Schools administered by some municipalities have their own catchment areas. However, as they are in a minority, such arrangements cannot be regarded as representative.

Sweden: The extent to which parents are free to choose a school varies from one municipality to the next.

B.1.2. Existence of a grant-aided private sector as an alternative

The scope for attending a grant-aided private school is determined by the number of such schools, the possibility that they will charge fees and, if so, the amounts involved. Figure 6.3 combines these two variables. The size of the private sector may be determinant as far as competition is concerned. This is because in a country where there is a strong catchment area policy for public education, the presence of grant-aided private schools and pressure from dissatisfied parents who may seek to place their child in another school, can result in liberalization of the public sector and thereby intensify competition within it.

FIGURE 6.3: DEVELOPMENT OF THE GRANT-AIDED PRIVATE SECTOR, 1997/98

NO GRANT-AIDED PRIVATE SCHOOLS (SOLELY UNAIDED PRIVATE SCHOOLS)	FEW GRANT-AIDED PRIVATE SCHOOLS (LESS THAN 10% OF ENROLMENTS) WITH FEES	FEW GRANT-AIDED PRIVATE SCHOOLS (LESS THAN 10% OF ENROLMENTS) WITHOUT FEES	GRANT-AIDED PRIVATE SCHOOLS (MORE THAN 10% OF ENROLMENTS) WITH FEES	GRANT-AIDED PRIVATE SCHOOLS (MORE THAN 10% OF ENROLMENTS) WITHOUT FEES
EL, I (s), UK (SC)	**D, I (p), L, A, IS, NO**	**P, FIN, S**	**DK, F**	**B, E, IRL, NL**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Italy: A recent law (March 2000) has altered the grants system in such a way as to help families finance expenditure relating to the education of their children, whether they attend a state school or any officially recognized school.

United Kingdom (E/W/NI): The various schools dependent on private (and generally denominational) bodies are, at national level, regarded as belonging to the public sector (maintained schools). For the purposes of the present study and to assist comparison, they are regarded as grant-aided private schools. Data for maintained schools cannot be broken down further for the *county schools*, *grant-maintained schools*, voluntary aided schools, *voluntary controlled schools*, etc. included in this category.

Liechtenstein: Data not available.

B.2. SCHOOL MANAGERIAL AUTONOMY

In practice, autonomous management means that a school possesses an amount in cash awarded by a higher authority which it can then use to acquire staff and educational goods and services. It may be assumed that the more extensive the responsibilities of a school in this area, the more independent it will be as a 'producer' (provider).

Managerial autonomy is granted to schools in the European Union and EFTA/EEA countries in accordance with a variety of procedures. While this topic is analysed more thoroughly in Chapter 2 (1), a summary of its conclusions is given here. It should be remembered that in two Nordic countries, Denmark and Sweden, circumstances vary considerably from one municipality to the next. The different situations are shown in Figure 6.4.

As far as school managerial autonomy is concerned, the EU and EFTA/EEA countries correspond to four main scenarios characterized by increasing financial responsibility.

In the first group of countries, schools have little, if any, managerial autonomy.

In a second group of countries, schools are autonomous as regards management of one or several categories of resources which are allocated separately. This applies most frequently to operational resources, to which may be added, in a third group, the management of staff resources, so that schools in the countries concerned have money available to remunerate their teaching staff.

In the fourth and final scenario, schools receive a global allocation covering both their staff and operational resources.

---

(1) The educational authorities may transfer the management of staff, operational and capital resources to schools. Information related to this last resource category is not covered here because the management of capital resources is mainly the preserve of grant-aided private schools, which own the buildings they occupy. Their governing bodies administer their infrastructure using resources obtained from a higher authority and/or their own resources. However, this management autonomy, rather than being granted to them so that, as 'producers', they can assume their own distinct identity, is an intrinsic feature of the grant-aided private sector in general. Indeed, their capacity to represent an alternative to public education and, in so doing, form a different class of 'producers' is explained under Chapter 6, point II.B.1.2. At the same time, it should not be forgotten that Dutch and Swedish municipalities may delegate the management of fixed assets (immovables) to schools. However, as this is a very recent provision in the Netherlands which has not yet been evaluated, it is very hard to gauge its impact on the scope it allows schools to assume a distinct identity as 'producers'. In Sweden, decentralization to the municipalities makes it difficult to draw general conclusions as regards their method of awarding resources to schools. Although there has been research into the subject, it has not generally focused on the allocation of capital resources.

BEST COPY AVAILABLE

The third and fourth categories may be distinguished by their differing scope for resource management. In the third, the various budgetary headings correspond to specific areas of expenditure and, while schools may administer them, they are in no way involved in determining their amounts whereas, in the fourth category, schools receive a global allocation that they themselves share out across the different budgetary headings.

FIGURE 6.4: AUTONOMY OF SCHOOLS IN THE ACQUISIITON OF GOODS AND SERVICES, 1997/98

VERY LITTLE AUTONOMY: RESOURCES ARE AWARDED IN KIND	AUTONOMY IN THE ACQUISITION OF OPERATIONAL GOODS AND SERVICES	AUTONOMY IN THE ACQUISITION OF OPERATIONAL GOODS AND SERVICES AND STAFF	AUTONOMY IN THE ACQUISITION OF STAFF AND OPERATIONAL GOODS AND SERVICES (GLOBAL ALLOCATION)
B fr (schools run by provinces and municipalities), **D**, **F** (p), **L**, **A** (p, HS, PS), **P** (1st stage of *ensino básico*), **IS**, **LI** (p)	**B fr** (except schools run by provinces and municipalities), **DK** (*), **EL**, **E**, **F**(s), **IRL**, **I**, **A** (AHS), **P** (2nd and 3rd stages), **LI** (s), **NO**	**DK** (*), **NL** (p), **S** (*), **FIN**	**NL** (s), **S** (*), **UK**

(*): The situation varies depending on the municipality p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Belgium: Schools in the grant-aided public sector (administered by the provinces and municipalities) in the French Community have very little managerial autonomy. Schools in the corresponding sector in the Flemish Community, as well as those administered by each of the three Communities, are as autonomous as regards management of their operational resources.

Austria: The primary schools, *Hauptschulen* and *Polytechnische Schulen* enjoy very little managerial autonomy, whereas in the secondary education provided by the *allgemeinbildende höhere Schulen*, schools are autonomous as regards management of their operational resources.

Portugal: Schools offering the first stage of *ensino básico* (basic education) exercise little responsibility for the acquisition of goods and services. Those offering the second and third stages, or all three stages, of *ensino básico* are responsible for acquiring operational goods and services and also remunerate their teaching staff.

Finland: Some schools have very little autonomy, but they are exceptions.

The possibility for schools to recruit their own staff is another aspect of autonomy in the management of staff resources, which is analysed in Figure 6.5.

FIGURE 6.5: RESPONSIBILITY FOR THE RECRUITMENT OF TEACHING STAFF, 1997/98

NO AUTONOMY	DECISION-MAKING AUTONOMY
B fr (public sector), **B nl** (schools run by provinces and municipalities), **DK** (*), **D**, **E**, **EL**, **F**, **IRL** (*), **I**, **L**, **A**, **P**, **FIN** (*), **S** (*), **UK (SC)**, **LI**, **NO**	**B fr** (grant-aided private sector), **B nl** (schools run by the Community and grant-aided private sector), **DK** (*), **IRL** (*), **NL**, **S** (*), **UK (E/W/NI)**, **IS**

(*): The situation varies depending on the municipality or the individual school

Source: Eurydice.

Additional notes

Ireland: The primary schools, *voluntary secondary schools* and *community* and *comprehensive schools* themselves recruit teaching staff whereas, in the case of the *vocational schools* and *community colleges*, the *Vocational Education Committees* assume this responsibility.

Finland: Some municipalities delegate to schools the management of staff resources, including the responsibility for recruiting teachers.

C. 'PRODUCT' HOMOGENEITY OR LIMITED SCHOOL AUTONOMY IN THE AREA OF EDUCATIONAL PROVISION

Several scenarios may be identified as far as the homogeneity of educational provision is concerned. This may be subject to very precise curricular requirements on the part of the Ministry of Education and involve regulations, for example in terms of subjects that have to be taught or very similar teaching methods from one school to the next. Conversely, schools may be granted autonomy in the area of educational provision. While this does not, in itself, guarantee that they will seek to differentiate their provision, it presents them with an opportunity to do so.

As school autonomy in educational matters is not the central focus of the present study, this subject will not be discussed as fully as might otherwise be justified. However, five indicators are provided in an attempt to clarify it up to a point. The first four concern the degree of freedom granted to schools regarding decisions on educational content, while the fifth relates to the scope they have for differentiating their provision through the use of funding from private sources.

C.1. THE AMOUNT OF EDUCATION PROVIDED

The concept of the 'amount of education' has three aspects to it as follows: determining the number of days of school (in the classroom) each year; determining the number of hours a year; and fixing the number of hours a week. The autonomy of schools may vary depending on whichever one or more of these aspects is considered. For a country to be included among those that have 'no autonomy', its schools must be unable to exercise any autonomy in relation to at least two of these aspects. Similarly, for it to be placed in the category of countries whose schools are regarded as having 'limited autonomy' or 'decision-making autonomy', this must also apply to at least two of the aspects.

As regards decisions linked to the management of school time, schools in general are not very autonomous. Where arranging the number of classes in the week or during the day is concerned, they have some room for manoeuvre. More specifically, the way subjects are spread across the timetable is left to individual schools in most countries. On the other hand, the number of days and hours of teaching a year is often determined by a higher authority.

In Germany, the Netherlands, Austria and Sweden, schools have limited freedom to decide on the number of days' teaching per year. In Sweden, moreover, they are even completely free to set the annual number of hours of teaching.

Figure 6.6 summarizes the information on the decisions regarding the amount of education provided.

FIGURE 6.6: AUTONOMY OF DECISION-MAKING IN PRIMARY AND LOWER SECONDARY PUBLIC-SECTOR SCHOOLS IN DETERMINING THE AMOUNT OF EDUCATION PROVIDED, 1997/98

NO AUTONOMY: HOMOGENEITY	LIMITED AUTONOMY: RELATIVE HOMOGENEITY	DECISION-MAKING AUTONOMY: POTENTIAL HETEROGENEITY
B fr, B de, B nl (p), D, EL, E, F, I, L, P, IS, LI, NO	**B nl (s), DK, IRL, NL, A, FIN, UK**	**S**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Belgium (B nl), Denmark, Finland and **the United Kingdom**: No autonomy in determining the number of days of teaching a year.

Germany: The weekly teaching periods laid down by the *Länder* for the different types of schools may be distributed over five or six days in the week. However, the total number of teaching hours a year is the same regardless of whether teaching is carried out on the basis of a five-day or six-day week. Schools do not have much autonomy as regards the introduction of a five-day week within the conventional half-day school.

Ireland: Lower secondary schools have limited autonomy in determining the number of hours of teaching a week.

Netherlands: No autonomy in determining the number of hours of teaching a year in primary education, but limited autonomy in determining the number of days of school a year and the number of hours a week. In secondary education, schools are free to determine how long lessons last. A limit is set on the total number of hours entailed.

Austria: Primary and secondary schools are entitled to decide whether they will adopt a five-day or six-day week. In primary schools, autonomy is exercised solely in relation to non-compulsory subjects, whereas in secondary education it relates also to compulsory ones.

Finland: The administrative authority for a school – in general, a municipality – exercises decision-making power in most areas and is responsible for delegating decision-making power to school level. Differences therefore exist between municipalities.

United Kingdom (E/W/NI): The minimum annual number of school days/sessions laid down by statute. In England and Wales, regulations cover the minimum hours of lessons a week, while in Northern Ireland the daily hours of attendance are prescribed.

Norway: Schools have a certain degree of autonomy in determining the number of hours of schooling a week.

C.2. TEACHING METHODS AND SCHOOL TEXTBOOKS

Fairly generally, schools at both primary and lower secondary level usually have considerable autonomy as regards the choice of school textbooks and teaching methods. Among the EU and EFTA/EEA countries, the autonomy of schools is limited in the choice of school textbooks in Germany, Spain (education is a matter for the Autonomous Communities), Iceland and Liechtenstein. Teachers at both primary and lower secondary level must choose their textbooks from a list or on the basis of criteria set by a higher authority. Moreover, in some of these countries, teaching methods are laid down on the basis of recommendations and suggestions made by it.

FIGURE 6.7: AUTONOMY OF PUBLIC-SECTOR PRIMARY AND LOWER SECONDARY EDUCATION AS REGARDS TEACHING METHODS AND SCHOOL TEXTBOOKS, 1997/98

NO AUTONOMY: HOMOGENEITY	LIMITED AUTONOMY: RELATIVE HOMOGENEITY	DECISION-MAKING AUTONOMY: POTENTIAL HETEROGENEITY
TEACHING METHODS		
	E, LI	**B, DK, D, EL, F, IRL, I, L, NL, A, P, FIN, S, UK, IS, NO**
SCHOOL TEXTBOOKS		
EL, L	**D, E,** **IS, LI**	**B, DK, F, IRL, I, NL, A, P, FIN, S, UK, NO**

Source: Eurydice.

Additional notes

Germany: It is the task of the teachers' council to select textbooks from the regularly published lists of textbooks approved by the ministry of the *Land*. The same council also takes decisions on instruction and education, taking care however not to encroach on the freedom of individual teachers to give their lessons as they think fit *(pädagogische Freiheit)*.
Finland: The administrative authority for a school – in general, a municipality – exercises decision-making power in most areas and is responsible for delegating decision-making power to school level. Differences therefore exist between municipalities.
Norway: The municipality has the power to delegate municipal autonomy to each school.

C.3. NUMBER OF HOURS DEVOTED TO EACH SUBJECT

In nearly all countries, schools do not have much autonomy as regards deciding how much time should be devoted to each subject. Schools with the greatest room for manoeuvre are those at primary level in Belgium and the Netherlands, those offering the first stage of *ensino básico* (basic education) in Portugal, and all schools in the United Kingdom.

FIGURE 6.8: AUTONOMY OF PUBLIC-SECTOR PRIMARY AND LOWER SECONDARY SCHOOLS IN DECIDING THE NUMBER OF HOURS DEVOTED TO EACH SUBJECT, 1997/98

NO AUTONOMY: HOMOGENEITY	LIMITED AUTONOMY: RELATIVE HOMOGENEITY	DECISION-MAKING AUTONOMY: POTENTIAL HETEROGENEITY
B fr (Community schools), **B de**, **D**, **EL**, **E**, **F** (p), **I** (s), **L**, **A** (p), **P** (2nd and 3rd stages of *ensino básico*), **IS**, **LI**, **NO**	**B fr** (s, grant-aided schools), **B nl** (s), **DK**, **F** (s), **IRL**, **I** (p), **NL** (s), **A** (s), **FIN**, **S**	**B fr** (p, grant-aided schools), **B nl** (p), **NL** (p), **P** (1st stage of *ensino básico*), **UK**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Ireland: While primary schools may decide on the number of hours to allocate to different subjects, recommendations in this respect are made by the Department of Education and Science.
Netherlands: The total number of hours (1 280) and the number of subjects (15) are fixed, but distribution of the number of hours per subject is determined by each school at primary level.
Finland: The government fixes the minimum number of hours for each subject. The administrative authority for a school – in general, a municipality – exercises decision-making power in most areas and is responsible for delegating decision-making power to school level. Differences therefore exist between municipalities.
Sweden: Only the total number of hours of teaching to be provided over nine years of compulsory education is fixed. The schools decide on how the total should be broken down for each year.

BEST COPY AVAILABLE

C.4. CHOICE OF THE FIRST FOREIGN LANGUAGE

In the course of their compulsory education, pupils in all countries learn at least one foreign language. The age at which they start doing so varies between 8 and 12.

The autonomy of schools also varies as regards the choice of this first compulsory foreign language. It is considered that countries grant no autonomy to their public-sector schools if they are unable to choose the first foreign language they teach their pupils. Conversely, countries are considered to grant decision-making autonomy to their schools when the latter decide freely the first foreign language they will teach their pupils. Countries in which schools have to choose, from a limited set of possibilities, the first foreign language they will teach belong to the country category in which schools have limited autonomy.

This first language has to be English in Denmark, Greece, the Netherlands, Sweden, Liechtenstein and Norway, French in the German-speaking Community of Belgium, German in Luxembourg and Danish in Iceland (¹). The second foreign language has to be French in Luxembourg and Liechtenstein, and English in Iceland.

In the other countries, schools choose the first language they offer pupils. In Spain and Finland, this choice is unrestricted. In the remaining countries it has to be made from a list of languages.

FIGURE 6.9: AUTONOMY OF PRIMARY AND/OR SECONDARY SCHOOLS AS REGARDS THE CHOICE OF THE FIRST FOREIGN LANGUAGE, 1997/98

NO AUTONOMY: HOMOGENEITY	LIMITED AUTONOMY: RELATIVE HOMOGENEITY	DECISION-MAKING AUTONOMY: POTENTIAL HETEROGENEITY
B de, DK, EL, L, NL, S, IS, LI, NO	**B fr, B nl, D, F, IRL, I, A, P, UK**	**E, FIN**

Source: Eurydice.

C.5. AUTONOMY IN THE SEARCH FOR NON-PUBLIC SOURCES OF FINANCE

The ability of schools to raise supplementary funds from private sources is one aspect of financial autonomy. The freedom of schools to acquire additional private finance to supplement their main budget, as well as to decide how to dispose of this money, affects their ability to differentiate their educational 'product'.

In this context, there are two dimensions to an analysis of this aspect of financial autonomy:

- the extent that schools are free to seek private funding;
- the extent that schools are free to spend, as they wish, such private funding so obtained.

Both dimensions are determined by the degree of government regulation. Figures 6.10 and 6.11 show where different countries are positioned in relation to these two considerations. They summarize the information presented in detail in Chapter 5.

(¹) From the 2000/2001 school year, the first foreign language learnt in Iceland will be English and the second one Danish.

[illegible]344

FIGURE 6.10: AUTONOMY OF SCHOOLS IN SEEKING SUPPLEMENTARY PRIVATE FUNDS, 1997/98

VARIATIONS DEPENDING ON THE AUTHORITY RESPONSIBLE	NO POSSIBILITY OF SEEKING PRIVATE FINANCE: UNIFORMITY	POSSIBILITY OF SEEKING PRIVATE FINANCE FROM:		
		VERY FEW SOURCES: RELATIVE HOMOGENEITY	A GREATER NUMBER OF SOURCES: POTENTIAL HETEROGENEITY	
			WHILE RESPECTING ATTACHED PROVISOS	WITH NO ATTACHED PROVISOS
DK, D, FIN, S, NO	**EL, F (p), L (p)**	**L (s), P (1st stage of *ensino básico*), IS, LI**	**B, F (s), IRL, I, NL, A, P (2nd and 3rd stages)**	**E, UK**

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Germany: Applies only in some *Länder*.

Finland: Whether or not provisos are attached to accessing different sources depends on the municipality concerned.

As Figure 6.10 illustrates, while a government may authorize schools to search for private funds from many sources, this freedom may be tempered by regulations attached to some of them. For example, schools permitted to earn money from advertising must promote products which offer some kind of educational benefit. Schools in Spain and the United Kingdom are subject to little control: their scope vis-à-vis the number of possible sources of funding is not curtailed by conditions such as this.

FIGURE 6.11: AUTONOMY OF SCHOOLS AS REGARDS THE USE OF PRIVATE FUNDS

NOT APPLICABLE	RESTRICTIONS ON THE USE OF SUCH FUNDS: RELATIVE HOMOGENEITY	NO RESTRICTIONS ON THE USE OF SUCH FUNDS: POTENTIAL HETEROGENEITY
EL, F (p), L (p)	**D, F (s), E, I, L (s) A, P, FIN**	**B, DK, IRL, NL, UK, IS, LI, NO**

(p) = primary (s) = lower secondary

Source: Eurydice.

As Figure 6.11 illustrates, the extent to which schools are free to decide how they will spend the money they acquire does not necessarily correspond to the degree of freedom they have to acquire it. Thus, relative to some other countries, France (lower secondary education), Italy, Austria, Portugal (the second and third stages of *ensino básico*) and, above all, Spain, accord a significant degree of freedom in the acquisition of private funds (Figure 6.10), but curtail financial autonomy with respect to spending decisions (Figure 6.11).

Ideally, an absence of regulatory control over either the acquisition or spending of supplementary private funds would best support schools' search for competitive advantage through product differentiation (in the form of quality, educational content on offer, and so on).

In practice, governments and other interested parties are loath to let go of the reins entirely in the matter of access to private funds for schools. This is because of factors which impinge on the nature of the task of educating children. They include, in particular, the need to protect minors and to guarantee certain minimal standards of quality as well as the neutrality of the education offered, which account, amongst other things, for the widespread regulation of advertising to children.

D. INFORMATION FOR CONSUMERS: PUBLICATION OF INFORMATION ON CHARACTERISTICS OF SCHOOLS

As explained above, informing parents and pupils about the existence of different schools, what they offer and the quality of their provision, are essential aspects of the system of competition. This issue has not been directly analysed in the preceding sections and now therefore calls for a more detailed approach.

Analysing the quality of the information available to pupils and their parents about the characteristics of schools, calls for a distinction between the agencies that provide it. Four models may be identified:

- information is circulated by the public authorities;
- information is circulated by schools, but in a strictly regulated form;
- information is circulated freely by schools;
- no information is circulated because this is not allowed, or not normal practice.

It should also be noted that such information on the characteristics of schools may be accumulated specifically for purposes of comparison, or be of interest solely to the schools concerned.

Finally, information of this kind may, in principle, focus on all or some of the following aspects:

- the school plan (aims of educational provision at the school, basic principles underlying its approach to teaching and/or the values it stands for, etc.);
- characteristics of the pupil intake at the school (number of pupils, data regarding their age and distribution by sex, nationality and social background, their school record and the integration of children with special needs, etc.);
- optional subjects available, all subjects taught, level of difficulty, etc.;
- the 'results' or performance of the school (assessment of special projects, success rate/proportion of pupils who have to repeat a year, level of satisfaction of pupils/parents, success rate in the first year of studies after leaving school, etc.);
- 'organizational' aspects (child minding, offer of school meals, timetables, financial contributions, etc.).

Gathering some of this information is certainly necessary if the authorities are to assess and administer the education system. It also offers helpful support in monitoring it. Here, however, something else is at issue in so far as the purpose of this section is to analyse ways in which those with whom the system is ultimately most concerned, namely pupils and their parents, are informed about it. The information in question can be very widely publicised among the entire population (for example, via the press or other mass media), or merely circulated among the parents of pupils. Where this is the case, it may be provided before or after their enrolment.

346

FIGURE 6.12: PUBLICATION OF INFORMATION ON THE CHARACTERISTICS OF SCHOOLS, 1997/98

NO INFORMATION CIRCULATED PUBLICLY ON SCHOOLS	INFORMATION FREELY CIRCULATED BY SCHOOLS	INFORMATION HAS TO BE CIRCULATED BY SCHOOLS	INFORMATION HAS TO BE CIRCULATED BY THE PUBLIC AUTHORITIES ON ALL SCHOOLS
DK, EL, E, IRL, **L** (p), **A, P,** **LI, NO**	**B** (school achievements and results) **D** (school projects) **L** (s) (school projects) **FIN** (school results in national tests) **S** (approach to work, school plan, pupil results, depending on the municipality)	**B fr** (school plan), **F** (school plan) **I** (school services charter) **NL** (school plan and prospectus) **UK (E/W/NI)** (school prospectus, annual report) **IS** (guide to school activities)	**NL** (key facts about schools) **UK (E/W/NI)** (inspection report) **UK (SC)** (external examination results, school costs, attendance rates, career information about former pupils)

(p) = primary (s) = lower secondary

Source: Eurydice.

Additional notes

Belgium (B fr): A school has to provide parents with a copy of its school plan when they enrol their child. While the length of the plan varies depending on the school concerned, it outlines the general principles according to which it intends to carry out in practice the tasks conferred on all schools by decree.

France: The educational policy law of 10 July 1989 obliges schools to draw up a school plan specifying the procedures it will use to implement national aims and programmes and indicating the school and extra-curricular activities planned for this purpose. School plans discussed by the school council (primary education) or the school board (lower secondary education) are published with the minutes of the corresponding meetings, and anyone interested can obtain them

Italy: Since 1995, schools have had to draft a school services charter indicating the education services they provide, along with the courses on offer and their professional, material and logistical resources. They also have to use this charter to define the quality standards they are committed to respecting. This information is in the public domain.

Luxembourg: Secondary schools publish information brochures setting out the school plan, as well as their curricular and extra-curricular activities. Most of this information is on the Internet.

Netherlands: The school plan, which must be updated at least every four years, outlines the school's policy on educational matters, staffing and quality, and provides specific information about the school. The school prospectus is an annual document containing more detailed information for parents and pupils about what goes on in the school, its objectives and the results achieved. Both the school plan and the prospectus have to be approved by the parents, staff and pupils. Since 1998, the inspectorate circulates the key facts about the school, which to some extent provides scope for comparison. Since 1 January 1999, schools have had to publish a 'school chart', featuring their results weighted in accordance with their pupil intake.

Finland: The head of the school or its board receives the information on how it has succeeded in the national tests. It is the headmaster who has the authority to decide whether parents are informed or not (in other words, legislation does not specify this as a right). In practice, parents are informed at most schools.

United Kingdom (E/W/NI): School prospectuses and annual reports must include information such as a statement of the school's ethos and values, details of the curriculum, results in statutory assessments and, where applicable, public examinations. Comparative tables of school performance in statutory assessments and public examinations are also published but requirements vary between England, Wales and Northern Ireland.

Iceland: Each school has to publish a guide to its activities, indicating how it intends to carry out its work and achieve the aims of the national curriculum. This guide is written for parents, pupils, the school and the educational authorities.

It is clear from this analysis that the provision of precise information to parents so that they can make a really well-informed choice of school is not at all widespread. From this angle and in countries in which competition between schools is possible, a state of perfect competition is far from the reality. The two countries that have done most to publish the results of schools are the United Kingdom and the Netherlands. Other countries tend to attach greater importance to the publication of school plans, rather than results.

BEST COPY AVAILABLE

E. 'CONSUMER' MOBILITY: SUPPORT FOR THE MOBILITY OF PUPILS

Competition between schools is only possible if pupils are really in a position to enrol freely in any one of them. Freedom on paper to choose a school is not enough. It has to be combined with the real prospect of being able to attend any one of a large number of schools, meaning that mobility or transport problems must not be a barrier to freedom of choice in practice.

In some countries, schools are located closely together enough for this not to be a serious issue. However, in other countries in which they are sparsely scattered, a cheap or even free school transport system is needed if practical freedom of choice is to be guaranteed. This is no doubt the factor providing the best clue to student pupil mobility. At its most developed, school transport provision would be free of charge irrespective of the school pupils attended and would be consistent with the ideal model of perfect competition. However, no country has gone to these lengths and, in general, provision of a school transport service is restricted to the school that is closest.

This important issue has been discussed elsewhere in Chapter 1, points II.A and III.A. Figure 6.13 summarizes this information.

FIGURE 6.13: SUPPORT FOR PUPIL MOBILITY, 1997/98

TRANSPORT SERVICES LIMITED TO THE CLOSEST SCHOOL OR THE SCHOOL ALLOCATED BY THE PUBLIC AUTHORITIES	TRANSPORT RESTRICTED TO THE CLOSEST SCHOOL OR THE ONE DESIGNATED BY THE AUTHORITIES	TRANSPORT PROVISION THAT MAY BE EXTENDED TO OTHER SCHOOLS
DK, D, EL, E, F, IRL, I, L, P, FIN, S, UK (SC), IS, NO	**B, D, NL, A, UK (E/W/NI)**	

Source: Eurydice.

Additional notes

Germany: Support for pupil mobility varies, depending on whether schools are situated within catchment areas.
Liechtenstein: Data not available.

III. SUMMARY

Figure 6.14 sums up the information discussed in the previous section. It sets out a variable number of indicators for each of the five characteristics of competitive markets. The significance of the information provided has to be assessed with due regard for this and take account also of the interaction between these characteristics. For example, if a country were to have many schools operating as separate independent entities, substantial scope for student mobility, excellent information on its schools and homogeneous educational provision, while obliging its pupils to attend the school designated for them with no opportunity for dispensation, its educational environment could not be considered conducive to inter-school competition.

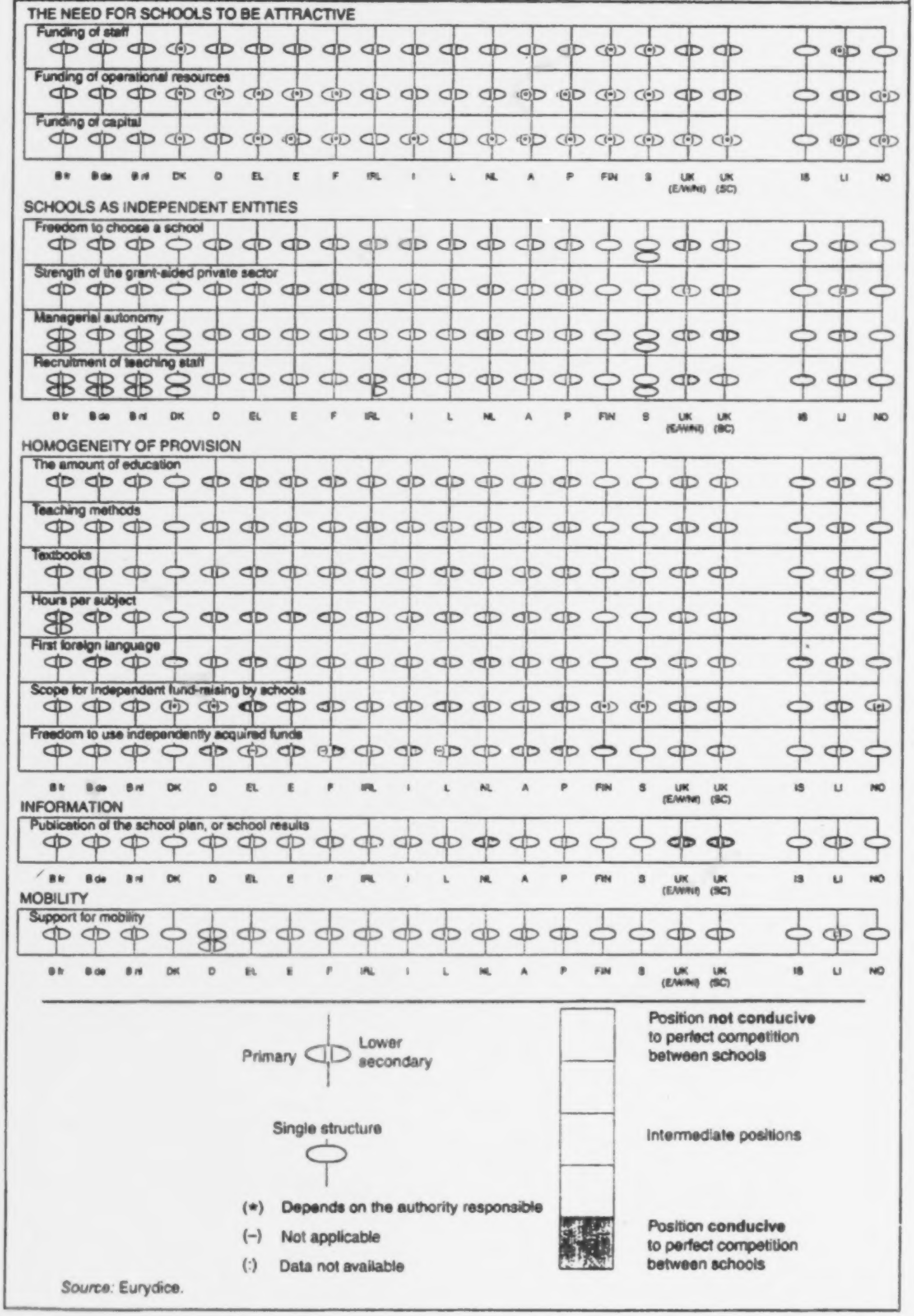
While the indicators shown do not measure directly the attractiveness or special interest of particular schools, their number, 'independence', autonomy in the area of educational provision, or available information about them or the mobility of pupils, they do amount to an approximation (1). In the light of these comments, readers should study Figure 6.14 with due regard for its limitations. They should not hesitate to return to point II of the present chapter, as well as other chapters in the book, to fill out – subject to all necessary reservations and qualifications – a body of information which of its nature must remain very condensed.

Figure 6.14 reveals that, contrary to what is often claimed, the European Union and EFTA/EEA countries have not generally incorporated within their education systems to any radical extent the principles of economic liberalism that extol the virtues of competitive markets.

---

(1) Other data would no doubt have been desirable, such as the number of schools per square kilometre. However, they are not always obtainable in practice and would have digressed from the focus of the study.

FIGURE 6.14: SUMMARY TABLE SHOWING THE POSITION OF COUNTRIES IN RELATION TO THE FIVE MAJOR FEATURES OF A MARKET IN A STATE OF PERFECT COMPETITION, 1997/98



Source: Eurydice.

BEST COPY AVAILABLE

Additional notes (Figure 6.14)

Austria: in the Figure, the *Hauptschulen* and *Polytechnische Schulen* are included under primary schools, except in the case of the variables 'freedom to choose a school', 'the amount of education' and 'hours per subject' where, together with the *allgemeinbildende höhere Schulen*, they are included under lower secondary schools.

Portugal: In the Figure, the first stage of *ensino básico* is included under primary education, and the second and third stages under secondary education.

Explanatory note

For each of the five dimensions characteristic of a market for education in a state of perfect competition, one or several indicators have been selected in order to measure, albeit approximately, the extent to which the dimension in question is observed in the various countries. In general, the darker the colour, the more the country is characterized, in the case of the indicator concerned, by a system conducive to perfect competition between schools. Intermediate shading corresponds to situations in which this is only a partial tendency.

Positions 'not conducive to perfect competition' may encourage non-regulated competition or absence of competition.

Furthermore, the scale adopted for each indicator in the Figure is separate. The latter cannot therefore be used to 'measure' quantitatively the extent to which the conditions conducive to the emergence of perfect competition have been satisfied. Instead, it provides a view intended to facilitate inter-country comparison. As a result, readers should not consider the data painstakingly box by box, but aim at a comprehensive general view of the situation in each country. Where a particular sub-heading, such as 'managerial autonomy', corresponds to different positions vis-à-vis perfect competition among schools at the same level in the same country, this difference is represented by another colour in a second horizontal row under the sub-heading concerned.

Indeed, implementation of a competitive market for education is based on the premise that the following conditions are satisfied:

(a) The method of awarding resources has to be based as far as possible on the number of pupils at schools in such a way that it is in their interest to maintain or increase their enrolment levels. This is a sine qua non condition and, as shown in Figure 6.14, it is satisfied in many countries as far as staff and operational resources are concerned.

(b) Schools should as far as possible be separate unrelated entities. Their 'independence' in this sense may be viewed from several angles. First and foremost, parents have to be free to choose their child's school. If pupils are obliged to attend a school allocated to them, competition is non-existent. Freedom to choose a school is only an effective condition for competition if the authorities do not intervene to regulate enrolments. Figure 6.14 indicates that this is so in fewer than half of the countries considered. The second angle from which independence may be viewed is that of managerial autonomy, which should enable schools to optimize the use of the financial resources made available to them. The two indicators selected (availability of a budget for the acquisition of goods and services and the freedom of schools to recruit staff) suggest that autonomy of this kind is to be found in only one third of the countries considered. Grant-aided private schools combine these conditions (freedom in choice of a school, autonomy of schools in the acquisition of goods and services and in the recruitment of staff). The extent to which there is a well-developed grant-aided private sector is thus an important sign of potential competition between schools.

(c) Parents have to receive information about the different kinds of education available, via publications describing the plans or strategies of schools, or describing their results. Figure 6.14 shows that provision of this information is compulsory in very few countries, least of all as far as results are concerned.

(d) The mobility of pupils constitutes another important condition for the development of competition between schools. If legislation grants parents the freedom to choose a school but every child is obliged to attend the school closest to home because there is no adequate means of transport, this mobility is non-existent. Very few countries offer a transport service enabling children to attend a school which is not the closest to where they live. In rural areas, the choice of a school is therefore very limited.

(e) Finally, the question of the homogeneity of educational provision calls for rather special comment. In principle, the model of perfect competition takes the homogeneity of the product for granted (see Chapter 6, point I). In order to retain their customers, producers will attempt to keep prices low. In compulsory education (which is free), this consideration does not arise. On the other hand, an attempt may be made to improve the quality of provision. In the educational field, the homogeneity of provision is reflected in official requirements regarding the subjects to be taught, the amount of subject matter and sometimes the books and methods to be used. The educational and organizational autonomy of schools thus leads to diversified provision, a position which is not conducive to perfect competition between schools. In this context, the possibility of schools engaging in their own fund-raising to increase their resources may accentuate disparities in provision.

From consideration of the first two characteristics, (a) and (b), it becomes clear that in only three countries, namely Belgium, the Netherlands and the United Kingdom, do circumstances appear to favour the emergence of a competitive market in compulsory education. In all three, financing is tied to the number of pupils whose parents are granted fairly substantial freedom in their preferred choice of school. The Netherlands and the United Kingdom grant schools greater autonomy in managing staff and operational resources. Belgium, on the other hand, is noteworthy in adopting per capita arrangements for the distribution of general resources, whereas allocations to schools in the Netherlands and the United Kingdom take a whole set of other variables into account (see Chapter 3). It is important to remember that the presence of circumstances conducive to the emergence of a competitive market in these countries does not mean that any such market will necessarily materialize, or that there is definitely the political will that it should do so.

Greece, Spain, France, Portugal, Finland, Liechtenstein and Norway display features which tend to preclude any marked similarity between their education systems and competitive markets. Depending on the country concerned, the main such characteristics are the relatively restricted choice of schools available to parents, the lack of information enabling comparisons between schools, strict limits to support for transport services that would enable pupils to attend virtually any school or, indeed, a combination of all these factors.

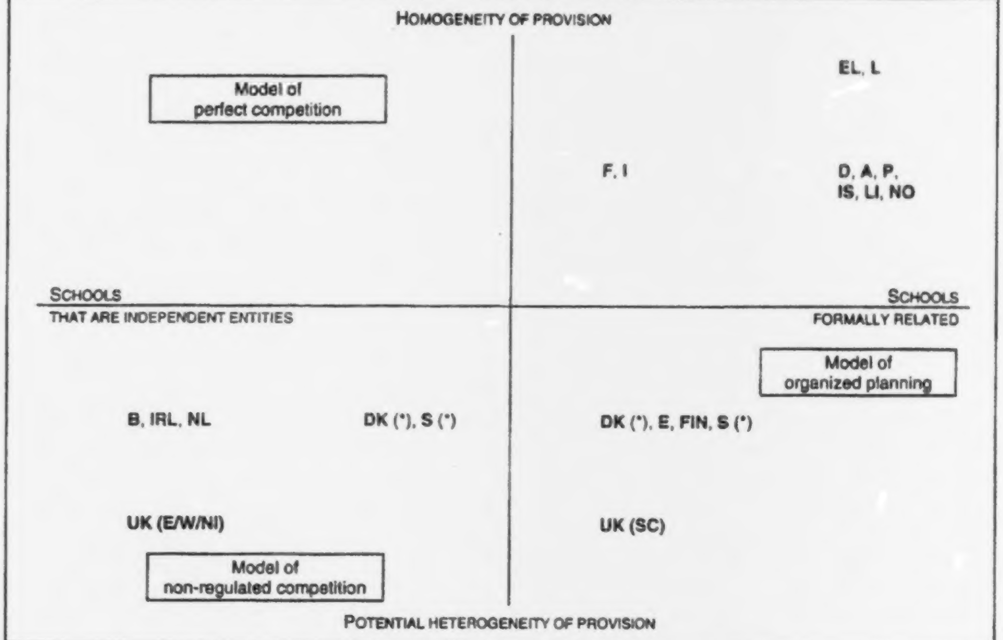
Denmark, Italy, Sweden and Iceland are somewhat more favourable to competition between schools, without it being possible to claim, however, that this really exists to any significant extent. In the case of secondary education, the same applies to Germany, Luxembourg and Austria (in secondary education) given that parents are free to choose their preferred school.

As regards the homogeneity of educational 'products' which might enable a distinction to be drawn between models of regulated and non-regulated competition, respectively, it has to be concluded that this is generally non-existent, given that all schools enjoy relative freedom, even in Greece and Luxembourg where restrictions are greater. Even though freedom is not total, it is sufficiently extensive in all countries for schools to develop a specific outlook, image and reputation. In this respect, therefore, it would appear that educational policy is tending to encourage systems which are to some extent diversified.

Figure 6.15, with its two axes showing the extent to which schools are independent entities and the degree to which educational provision is homogeneous, respectively, points clearly to a relation between these two factors. The more schools are formally related in some way, the greater the homogeneity of provision. The more they are separate and unrelated, the more likely it is that the education they provide will be diversified and heterogeneous. Legislation in the European countries which most reflects a competitive model of education also tends to be such as to grant schools the most autonomy in terms of their educational provision.

Educational policies which, as a whole, steadily increase the autonomy of schools in the educational and organizational domains rule out any tendency to develop models of perfect competition. Only non-regulated competition, therefore, seems liable to occur. However, as any conclusions in this respect depend on the benchmarks adopted, it is entirely reasonable for some to claim that liberalization as such is still far from complete.

FIGURE 6.15: POSITION OF COUNTRIES IN RELATION TO THE EXTENT TO WHICH SCHOOLS ARE INDEPENDENT ENTITIES AND TO THE HETEROGENEITY OF EDUCATIONAL PROVISION, 1997/98


HOMOGENEITY OF PROVISION
Model of perfect competition
EL, L
F, I
D, A, P, IS, LI, NO
SCHOOLS THAT ARE INDEPENDENT ENTITIES
SCHOOLS FORMALLY RELATED
Model of organized planning
B, IRL, NL
DK (*), S (*)
DK (*), E, FIN, S (*)
UK (E/W/NI)
UK (SC)
Model of non-regulated competition
POTENTIAL HETEROGENEITY OF PROVISION

(*) Variable position depending on the authority responsible

Source: Eurydice.

CONCLUSION

Following a brief final review of topics analysed in the study, the present conclusion is in the form of a discussion. It will seek to draw the attention of readers to a few central issues as far as the funding of schools is concerned.

For the purposes of this study, school funding has primarily been dealt with from a structural standpoint. The successive chapters examine models for the award and management of the necessary resources in the European Union and EFTA/EEA countries. Little attention is devoted to the question of the optimum amount of resources which should be earmarked either for a country's education system in general and/or individual schools in particular.

Indeed, no meaningful answer to this question is possible, since it would mean determining the relative importance of the aims of various public services and, above all, that of education. Any such exercise would not be merely technical but, first and foremost, of a political nature.

National systems for managing and awarding resources for schools, therefore, are not governed by any scientific law. Instead, they are the outcome of long political development, a definite measure of pragmatism and certain underlying political trends to which some countries are more susceptible than others. They amount to implicit de facto responses to questions of principle, such as the basic aims of education, and the ultimate purpose of financing it. Is it about catering for the needs of schools that already exist? Should parents be offered the convenience of a service that is ready to hand by increasing the numbers of schools available? Should a given level of quality be achieved at the lowest possible cost? (1)

This results in funding systems of many different kinds. The study has not therefore been concerned with their appropriateness measured against any notionally ideal system, but with their characteristics and context. It reveals the answers supplied by countries to questions dealing with the following:

- the way in which responsibility for funding and the administration of budgets is shared between all those involved in the financing of schools: what degree of responsibility should each assume for decisions to determine the overall amount of resources for education and each individual school, as well as those relating to the acquisition of goods and services?
- the method by which the amount of resources for each school is determined: should the authorities opt for per capita funding which allocates a fixed amount for each pupil, or a system of funding geared mainly to the specific needs of each school?
- the response to variations in the needs of schools with pupils from significantly large socio-economic or cultural groups, for whom additional support is required: should policies to support those in greater need be drawn up at central or local level? Should requirements be identified with respect to characteristics of the school population (for example, the number of pupils who do not speak the language of instruction), or socio-economic indicators related to the area in which a school is situated or from which it draws most of its intake? Should the response to those requirements be uniform (for example, a given quota of lessons to learn the language of instruction) or a local strategy (such as a school plan)?
- the scope for schools to seek out non-public resources, as distinct from those available in the public sector: should 'non-public' fund-raising by schools be prohibited, encouraged or regulated?

---

(1) As far as the final question is concerned, each country generally acts in accordance with ongoing practice in others. Implicitly, it thus develops a standard based on self-regulation and not one of objective principles.

- the freedom to choose a school: should the authorities continue to implement catchment area policies, under which a particular school is designated to each pupil, or should parents be allowed to choose their school and to what extent?
- the degree to which grant-aided private education should be funded: should this be on the same scale as in public education, given that the level of funding has a bearing on the extent to which private education is able to develop?
- the creation of a competitive spirit among schools aimed at improving the quality of their provision: is implementation of competition between 'producers' or 'education service providers' achievable and what would be its consequences?

The responses within each country to these different questions are in principle interrelated and may be conditioned by a fairly general political strategy. This strategy often extends well beyond the field of education and relates to public-sector services as a whole. It governs the relationship between the State and civil society. In the educational field, the latter comprises all those involved in or affected by education, including parents, pupils, educational staff and the local community with its elected representatives.

Some models have continued to comply with the principle of a high degree of central government involvement and opted for catchment area policies, grant-aided private education on a very modest scale, retention by the government of all responsibility for the acquisition of goods and services, and refusal to allow schools to obtain funds from non-public sources. Other models have been significantly or far less state centralized and have followed very different policies. These have included freedom of parental choice of school, development of the grant-aided private sector, decentralization to local authorities of certain responsibilities for funding and management, the transfer to school boards (with parent representatives) of responsibility for acquiring staff and operational goods and services, and support for private funding-raising.

However, this general approach implies that the similarly political issue of equality of educational opportunity has to be addressed. Strictly speaking, equality of this kind is reflected in the removal of financial or other restrictions that prevent pupils from attending a particular school, or in guaranteed identical provision for all. This may correspond to a system for the even distribution of resources which is entirely consistent with centralized arrangements for their funding and management. However, two more recent conceptions of equality have combined to alter resource allocation procedures. The first of them involves pursuing the aim of 'equivalent' education which seeks to ensure that educational provision and, with it, the distribution of resources, takes account of individual needs, needs being defined very broadly. This concept of 'equivalence' goes beyond the notion of equal resources without referring explicitly to any effort to achieve similar results. Yet it accommodates the idea that two pupils with the same needs but enrolled in different schools will receive identical provision. The other conception of equality hinges on the principle of positive discrimination which tends to give more (resources) to pupils who have less (chance of doing well at school), in order to promote equality of attainment.

In practice, these two dimensions – the relation between the State and civil society, and the type of equality at issue – cannot be comfortably reconciled without some degree of tension. The model of the omnipresent State and evenly distributed resources is consistent in itself. Yet, notwithstanding the fact that several generations owe their education to it in many countries, it is at present being called into question. In fact, it is departures from the model that give rise to tension, in so far as a gradual move towards the involvement of a greater number of interests and individuals in decision-making does not always guarantee that the principle of equality will be upheld. The remainder of the present discussion will consider this point of view in more detail.

Each of the political responses which have tended to broaden social involvement in education has led to reconsideration of what equality means.

The **decentralization** of central government responsibility to local level has been an initial response to the view that all those with a stake in education should be more actively involved in it. Yet it is liable to give rise to problems of inequality. At this point, however, a distinction should be drawn between decentralization which tends to extend the scope for local authority decision-making and decentralization which tends to increase the autonomy of schools.

Decentralization to local authorities of responsibility for distributing resources among schools is a necessary condition for implementing the (above-mentioned) principle of 'equivalence'. It brings decision-making closer to the point at which needs make themselves felt and, by the same token, enables the requirements of pupils – and hence of schools – to be more effectively taken into account. However, decentralization of responsibility for the distribution of resources is generally linked to that of their funding. Local authorities are free to decide the total amount they will earmark for education. In the interests of fairness, mechanisms for correcting imbalances in their resources can be introduced so that they all have the same potential for action.

Yet this kind of local authority autonomy raises certain questions. Besides the fact that the introduction of readjustment mechanisms may not be a straightforward matter, the latter do not necessarily ensure that municipal approaches to resource allocation will always result in equality. Decisions concerned with establishing the amount of resources to earmark for education and their distribution among schools may lead to a situation in which pupils with the same needs in different municipalities receive different kinds of education. After taking account of pupil requirements, one municipality may decide to earmark more resources than another to immigrant pupils, or pupils with learning difficulties or, indeed, the brightest pupils (to uphold the need for excellence per se). Under these circumstances, equivalence of educational provision for those with the same requirements is eventually likely to be compromised.

This issue becomes even more acute where the management of resources is transferred to school governing boards. Transfers of this kind have not generally been devised for the purpose of promoting equality. Their very varied aims have included increased social participation, the achievement of savings through the elimination of wastage, support for initiative and the motivation of school staff, and a diminution in the role of the local authorities. Yet, notwithstanding all these considerations, this kind of decentralization towards schools appears liable to give rise to differences in the quality of educational provision. While managerial autonomy along these lines is often associated with a trend towards freedom to choose a school and autonomy in educational matters (as regards choice of teaching methods, content and patterns of curricular provision), it generates competition between schools, with implications for the equality principle to which we shall return shortly.

The **method of calculating** the volume of resources may also result in inequality. Theoretically, per capita funding is the most transparent and egalitarian way – in terms of equal amounts – of distributing resources among schools.

However, where it is associated with freedom to choose a school, this method of calculation is no longer compatible with the principle of identical provision. This is because per capita funding normally stimulates competition between schools in danger of losing pupils and, hence, resources. Ideally, it should lead to equality since each school will attempt to offer the best quality provision in order to retain its pupils, in accordance with the principle of market regulation. Yet in practice (see below), competition operates very differently and leads gradually to differentiated educational provision and, as a result, inequality among the pupils to whom it is offered.

The per capita method of funding also runs counter to the principle of equivalence which requires that some pupils, and thus some schools, should receive more resources than others, in line with an analysis of their needs. From this angle, a method of funding which takes account of certain characteristics of the school population is more appropriate. Resource allocation which takes indicators of needs into consideration may be dealt with at central level or, no doubt more easily, be entrusted to the discretion of a local body. Yet the latter option may compromise transparent distribution, with the result that schools become suspicious that some of them have obtained more resources than others.

This leads on, in turn, to a consideration of how the needs of schools with a specific kind of intake, including immigrant pupils or pupils from a socially deprived background, may be taken into account in a way that is transparent. On the face of it, the award of **additional resources** for such groups is a practical example of positive discrimination which tends to give more to those who have less. Yet this view of equality comes up against the pitfalls always involved in identifying and labelling a difference in needs which is associated with socio-cultural characteristics. The risk is twofold. On the one hand, the desire of some people to give more to these groups, in order to promote equal social and career opportunities for all, may eventually run into opposition from those who want to end such preferential treatment on the grounds of its cost to society. On the other, where identification is based on the area in which the school is situated or from which it draws its intake, each parent or pupil concerned is aware that they may be identified with that area and suffer the stigma that goes with it. From this angle, incorporating consideration of the specific requirements of schools within the general method used to calculate the volume of their resources (for example, by adopting a per capita system weighted in accordance with the socio-economic requirements of each pupil) avoids this sort of stigma and thus seems preferable.

It is generally considered that one way in which schools can increase their financial autonomy vis-à-vis the State is by **seeking funds from outside the public sector**. The resources so obtained are generally regarded as a kind of bonus. As currently viewed at least, they do not affect the general budget that schools are allocated by the public authorities. But this additional contribution runs directly counter to the principle of equality. Clearly, as in the case of local authorities, schools succeed in raising funds whose amount varies depending on their local environment (social characteristics of its population, the presence of nearby firms, etc.). At the same time – and in contrast to what occurs at local authority level – there is no mechanism for correcting imbalances between schools. As a result, an independent search by them for their own sources of funding may immediately lead to inequality in the amounts of funding they receive, with possible repercussions in turn for currently minor aspects of educational provision.

Freedom to choose a school is also illustrative of the tension that exists between the principle of equality and the freedom of users. If parents can choose their child's school, is there not a risk (where several schools are situated in an area small enough for the choice to be real) that their preferences – governed sometimes by the wish to retain their social standing and sometimes to improve it – may lead gradually to a segregation of schools on socio-cultural grounds? And is not segregation of this kind discriminatory? Clearly, urban segregation (associated with rent levels and owner prejudice) has always existed prior to school segregation and schools can do little to resolve it. Nevertheless, whenever schools are free to expand and enrol increasing numbers of pupils, parental freedom of choice may lead to considerable competition between them, the impact of which is discussed below.

Funding of the grant-aided private sector may also be problematic because freedom to choose a school depends on the sector's existence. It is thus important that the principle of freedom of choice should have been fully aired in the public sector before development of the grant-aided private sector gathers momentum, otherwise the inequality of a system in which freedom is available to some but not others will be blatant. In line with the same logic, the acceptance of grant-aided private education ought to lead to its public funding on a scale enabling anyone to secure access to it without paying fees, failing which some people will, once more, be better off than others. Finally, grant-aided private education may also open the way to social segregation fuelled, in this case, by the aim of rediscovering at school the socio-cultural characteristics or the credo of the community with which one identifies. This trend raises the problem of the social cohesion of the population and the risk of confrontation between communities which may be totally unfamiliar with each other.

Finally, taking action to generate **competition** between schools for the purpose of improving the quality of education (by ensuring that the conditions for freedom of choice are satisfied, as well as by means of per capita funding and the provision of information on the performance of schools) also calls into question the principle of equality. In theory, the model of perfect competition leads gradually to uniform quality, as schools constantly strive to improve their 'product' in order to maintain their enrolment levels. However, European countries that have developed a policy for competition between schools do not conform to this 'perfect' model, since they are also keen to increase school autonomy in educational matters. Inter-school competition that is unregulated as far as the 'homogeneity' of educational provision is concerned may thenceforth give rise to substantial differences between schools in terms of what their curricula offer. Is such differentiation desirable? In its own right, yes, as long as it corresponds to the concern that schools should be responsive to their environment, and take greater account of the wishes of families and pupils (particularly as regards philosophical or religious beliefs), as well as those of the local community. The problem is that, where differentiation exists alongside competition, it may result in school heads (or management) devising curricular provision not in response to the wishes of their pupils, but in order to recruit other pupils who exhibit particular social characteristics, or to enhance the school's public image. Social segregation of this kind has an impact on the demands made on pupils in schools and therefore on levels of school achievement. It is a fact that schools which enrol relatively large numbers of pupils from more privileged socio-economic backgrounds tend to raise their standards and obtain on average better results. It is at this stage that the principle of the same education for all pupils is open to question.

Competition can also have other consequences. It may lead school heads to devise strategies for the promotion of their school which have aims other than those of improving quality. Not least of them may be selection of the most promising pupils and the rejection of pupils at risk. Conversely, the head of a school may choose not to disclose violent incidents or cases of unlawful behaviour at school, so that the risk of its losing pupils and compromising its reputation is avoided.

The publishing of school results, which is one condition for generating inter-school competition, also raises ethical questions. For example, which results should be published? At present, knowledge in conventional areas of study, or pass rates in national examinations, are often the first to be considered, no doubt because they correspond to a major concern of parents – namely, that their children should have the best possible opportunity of performing soundly in their later school careers and/or of achieving vocational integration in a competitive environment (with competition between pupils and job-seekers, etc.). The importance attached to these results will inevitably condition the decisions taken by each school as regards content, method and internal selection processes. The questions at issue are, first, whether other school aims and responsibilities are not liable to be compromised by this first concern and, secondly, whether this acceptance of competition between pupils as the underlying principle of the entire system is in tune with principles of equality. Is there no place for highlighting other indicators (such as the development of social skills, or educational processes themselves)? Aside from the difficulty of measuring them, there is also the question of whether they would be regarded as relevant by school 'users' (essentially parents and pupils).

It is also crucial, in this same context of inter-school competition and the publication of results, to question the real ability of schools to improve their educational provision, since there may be a contradiction between various educational objectives. To improve its score, a school might devote more time – and accordingly more resources – to its best and average pupils, at the expense of those in difficulty. It might also attach greater importance to formal learning and neglect more complex forms of skills development, or the acquisition of social skills. These different options thereby lead naturally to differences in the quality of educational provision. This is the point at which to bear in mind that one of the principles of all education systems is to ensure that every pupil benefits from similar treatment. Differences in quality thus pose a problem of principle.

The foregoing considerations reveal that, while the trend towards greater involvement in education on the part of society at large reflects respect for democratic principles, it may constantly challenge the principle of equality. From this standpoint, education is yet another battleground for the principles of freedom and equality. The promotion of individual liberty is entirely consistent with the opportunity open to all individuals to develop to the full the potential they inherit as a result of their personal background and social milieu. Yet it inevitably conflicts with the pursuit of equality, which calls for the transfer of resources within organized society and which will, in certain cases, set limits on the potential for personal development.

Annexe

Tables on national reforms

EUROPEAN UNION

BELGIUM 310
French Community 314
German-speaking Community 317
Flemish Community 318
DENMARK 320
GERMANY 326
GREECE 329
SPAIN 330
FRANCE 335
IRELAND 339
ITALY 342
LUXEMBOURG 351
THE NETHERLANDS 352
AUSTRIA 357
PORTUGAL 360
FINLAND 364
SWEDEN 368
UNITED KINGDOM (England, Wales and Northern Ireland) 372
UNITED KINGDOM (Scotland) 375

EFTA/EEA

ICELAND 379
LIECHTENSTEIN 381
NORWAY 382

BELGIUM

Authorities responsible for schools: The Constitution established freedom of choice in education. The 1950s were marked by ideological rivalries in which partisans of the secular 'official' (public) education system fought with partisans of 'free' (private) and essentially Catholic education for influence. These rivalries were rooted in the cleavage between secular and Catholic groups already present when the country was founded. In 1951, a 'school war' broke out that lasted seven years. Catholics argued that the Church had the right to organize a system of education and obtain the necessary subsidies for it, and that the State only had the right to play a supplementary role where private initiative did not fulfil this task. Secular groups, however, argued that state education should have, if not a monopoly, at least priority and opposed the award of grants to private schools. In 1955, the Collard Act established that municipalities could only admit private schools after they had created public-sector ones and only where a need for them was felt. In 1959, the 'school pact' resolved tensions between the different ideological and philosophical parties in society and maintained centralized control over funding in particular. It established the 'school peace' in an exceptionally broad agreement between the three major political groups in Belgium: the Socialists, Christian-Democrats and Liberals. It guaranteed families the opportunity to exercise genuine free choice. The State also had the right to create schools at all levels wherever they were needed (the number of schools was no longer limited), in order to ensure parents the freedom to choose their school. In public-sector schools, religious instruction had to be provided alongside secular moral instruction.

Method of financing schools: The Constitution established that, during the period of compulsory education, schooling would be provided free of charge. The provisions of the school pact prohibited discrimination generally and financial discrimination in particular between the various school sectors. The legislature thus provided that education not administered by the State would be subsidized, in return for which it would be subject to some form of control. School funding was a complex issue. Each sector received funding in accordance with a separate system and was controlled by separate regulations, but the central government financed its staff salaries and operational expenditure. Each administrative body *(Pouvoir organisateur/Schulträger/Inrichtende macht)*, defined as the individual person or collective entity accepting full responsibility for the school, was autonomous in terms of teaching matters.

Education supply and demand: From 1914 to 1953, schooling was compulsory between the ages of 6 and 14. Between 1953 and 1983, the upper age limit was set at 15. The parental right freely to choose the school was enshrined in the Constitution. As a result of the school pact, education expanded and the state budget for education increased considerably as new schools were created and subsidies for private schools were increased. It also led to an excessive proliferation in the number of schools, many of them wastefully duplicating each other's efforts.

General economic and political context: Education enjoyed a period of marked economic growth (the 'golden sixties') during which the regular growth in education budgets made it possible to apply legal measures without arousing conflict between state and private schools. In 1970, the first institutional reform of the State was introduced. Responsibility for education was transferred to the French and Flemish Communities, but it was subject to significant restrictions. The Communities' power was limited to marginal interventions. The electoral weight of the Catholic Party, which has been systematically present in all coalition governments, serves to explain developments in funding for grant-aided private education.

REFORMS	AIMS	CONTEXT
1971: Belgian Law of 19 July, which reformed the organization of secondary education and established 'Type I', or so-called renewed (reformed) education. It was organized into three stages of two years with a choice of stream at the end of the first stage. The mechanisms for allocating resources varied in accordance with the type, stream and level. Often, several streams were offered in a single school.	• Reform the structure of education established in 1957.	As Type I education never completely replaced Type II, the two types coexisted. Their coexistence fragmented the secondary school system. The fact that Type I gradually became more common during the 1970s and 1980s is often used to explain the considerable growth in expenditure on secondary education. The number of options and streams offered to pupils increased, as did expenditure on education (as a result).
1973: Belgian Law of 11 July which established contributions to the travel costs of pupils who could not find a school of their choice at a reasonable distance from their home; salary subsidies for teachers in grant-aided private education were to equal the salary plus the various bonuses to which they would be entitled if they worked in the state sector; changes (increases) in grants for operational purposes (loan repayment costs could be included in operational grants up to a proportion of 15%); provisions in the school pact regarding public-sector school buildings were merged and extended to private education. There were four funds in existence: a general fund for school buildings; a fund for state school buildings: a fund for buildings administered by the provinces and municipalities; and a national guarantee fund for school buildings.	• Give parents the freedom to choose schools for their children, in accordance with their beliefs, and ensure equality between the sectors; • provide further funding for subsidized private education.	Over time, grants for operational purposes became less tied to the rate of inflation, in order to limit increases in expenditure. The law did not link increases in grant amounts for school equipment and facilities to the size of the school population. As a result, funding for infrastructure became increasingly expensive in relation to the size of the school population. During the 1970s, education expenditure continued to grow steadily. Grants for salaries differed across the various sectors. The Ministry of Education paid for the expenditure on salaries for all staff that it employed in its own institutions (teaching and administrative staff, boarding school staff, those in centres for psychological, medical or social counselling, or those concerned with the technical services and upkeep of schools). In grant-aided education, the last category of staff was not supported by the central government, and school administrative bodies had to earmark 20% of their operational expenditure for this category.

REFORMS	AIMS	CONTEXT
1981-82: Laws that specified the 'norms' determining the amounts of allocations for staff resources. A norm was the minimum number of pupils that had to be enrolled if a school, section or option were to be created, maintained, divided into two, merged or closed. Each section, option or school was attributed a given number of teaching hours. Depending on the total number of pupils and their distribution, schools were allocated a number of hours that they or their administrative bodies could use as a basis for the recruitment of school staff. Pupil numbers in excess of the norms were not included in the calculation. Voluntary groupings of schools in the same sector were created. Mergers and partitions of schools were planned.	• Implement the plan to programme and rationalize secondary education, which was already included in the school pact but had not been implemented.	The 1980s can be seen as a long period of transition. Political decisions were increasingly a response to specific circumstances (such as economic crisis, and the growth and steadily accumulating impact of the public debt). They were essentially designed to control public expenditure, particularly in the education sector. These years were marked by significant changes in the organization of education in general and school funding in particular, as well as by the transfer of education to the Communities. The first part of the decade (up to 1987) was characterized by signs of a decline in the school population.
1983: The period of compulsory education was extended up to the age of 18 (though it was part-time between the ages of 16 and 18).		This reform did not affect funding mechanisms directly. However, it increased the volume of expenditure and therefore indirectly intensified the need to achieve savings.
1984 (1): The Law on economic recovery led to various Belgian royal decrees establishing a new way of calculating the staff-time-based allocation, which was no longer dependent on norms, but on a fixed number of teaching hours allocated to schools on the basis of the number of pupils enrolled. This number was meant to rule out the diversification of options underlying the runaway increase in costs in secondary education. Schools could use their staff-time-based allocation as they wished after consulting their teaching staff. The same teaching hours per pupil coefficients were used for the calculation in schools in all sectors.	• Control and rationalize expenditure; • simplify the calculation of effective staff time; • extend school autonomy; • achieve greater equality among schools.	As the first measures of the early 1980s did not sufficiently stabilize public finances, the government requested, in 1984, renewed authorization to invoke special powers aimed at implementing a multiannual plan to do so and, more generally, a strategy for the economic and financial recovery of the country. The government wished to reduce the public deficit to the average European level. The system defined in the 1984 decrees was not actually implemented until 1992. Difficulty in determining the number of teaching hours per pupil delayed application of the law. As the new system was not introduced, the formal teaching hour requirements became stricter in 1985/86.

REFORMS	AIMS	CONTEXT
1984 (2): The Law on economic recovery granted increased autonomy to state schools by transforming the status of these schools into one of 'state services under separate management'.	• Control expenditure on operations and equipment; • give schools greater autonomy in the use of credits.	State schools had previously been required to respect public accounting rules. The government entered the amount of each type of grant into the national education budget and then distributed the amounts among the schools. The breakdown was based not on objective criteria but on tradition. This procedure led to problems, in particular as regards respect for public accounting regulations: credit transfers from one kind of expenditure to another were not allowed, and money remaining unused at the end of the budgetary period could not be carried over to the following year.
1986: Belgian royal decrees: • Decree of 29 April 1986. Operational grants were kept at the amounts fixed for 1984/85. • Decree of 17 May 1986. Change in the mechanisms for allocating resources to schools as grants for operational purposes and equipment, which were now brought under a single heading. However, the Minister could set aside up to 5% of the total credit available for state schools to support specific educational requirements. • Decree of 11 August 1986 relating to staff (implementation of a staff-time-based allocation method corresponding partially to the one defined in the 1984 Law on Economic Recovery). The Decree imposed a 5% reduction in the overall number of teaching hours in the preceding year. • Decree of 25 April which introduced conditions governing new building requirements and formal physical and financial requirements, and limited grants for 1986 and 1987. The principle of free school transport which, in certain circumstances, guaranteed freedom of choice in education, was abandoned.	• Encourage better use of resources and enable improved control of the growth in educational expenditure; • increase the autonomy of schools, which now had the opportunity to manage their operational subsidies independently.	In 1986, the government decided to introduce a huge budgetary economy package. Under the special powers granted in 1986 (the so-called 'Val Duchesse Plan'), it imposed an extensive plan for rationalization including its new staff-time-based method of calculating staffing resources. This system only partially reflected the principle set out in 1984, since the definition of the number of 'organizable' hours per pupil and its variation on the basis of precise criteria could not always be determined. The 'teaching hour package' assigned annually to each school was calculated with reference to the number of pupils enrolled at the start of the year in the various streams multiplied by the 'teacher-period' coefficient. Five distinct coefficients were identified corresponding to streams and, in some cases, the stages of streams, so that technical, artistic and vocational education and training could be attributed a greater number of teaching hours. The rationalization measures could also be seen as implications of a declining birth rate.
1987: School heads were allowed to transfer the number of 'organizable' hours to schools elsewhere, and to set aside 5% of the staff-time-based allocation intended for vocational training for other types of education.	•-Redistribute the staff-time-based allocation among schools.	

REFORMS	AIMS	CONTEXT
1988 (1): Revision of the Constitution. The Communities became fully responsible for education. The governments of the Communities became by decree the executive bodies that regulated everything concerning education with the exception of three items that remained subject to the authority of the federal state, namely the definition of compulsory education, regulation of minimal conditions for the award of certificates and maintenance of the pension system.	• Decentralize the funding and provision of education.	1988 marked the end of the process of several years in which education was transferred to the Communities, as part of the general trend in Belgium towards federalism. The Communities thus provided and subsidized education in their own linguistic areas. The Flemish and French Communities also became responsible for French-language and Dutch-language schools in the bilingual areas.
1988 (2): The federal government organized the final national school year (1988/89) with, again, a series of 'emergency' budgetary measures concerning education.	• Reduce expenditure on education.	The draconian measures of 1986 were still not enough to reduce expenditure on education to the extent required.
1989: Special law on the funding of the Communities and regions. The Communities received most of their funds in a transfer from the federal government.	• Organize funding by the Communities.	The Saint Michel agreements altered this law for both Communities in 1993. The other resources came from a specific tax and income not derived from taxation. Opportunities for obtaining additional money from loans were strictly controlled, as it was necessary to avoid the renewed deterioration of Belgian public finances.

FRENCH COMMUNITY

REFORMS	AIMS	CONTEXT
1989-90: Decrees of the French Community, establishing the method of calculation of the *capital-période*, which authorized administrative bodies to redistribute part of the *capital-période* earmarked for particular schools to others in the same sector (0.75% in 1989 and 1% in 1990). The decrees also provided for the extension, with no time limit, of the method of calculating the *capital-période*, in accordance with each school's situation during the previous year.	• Promote solidarity among schools in the same sector.	While the number of hours for each pupil was still not determined on the basis of objective criteria (as planned in 1984), the issue was nonetheless borne in mind.

REFORMS	AIMS	CONTEXT
1990: Decree of 5 February. This decree created a fund for school buildings in the grant-aided public-sector school system, as well as a Community guarantee fund for school buildings. Both fulfilled the same functions as the corresponding former national funds.	• Allow each sector to plan its own investments; • manage buildings in the Community sector more efficiently.	In accordance with the laws calling for institutional reform, school buildings were transferred to the Communities. The Law of 16 June 1990 on certain public bodies or public-service entities and other state services abolished the federal funds. As a result, the French Community had to issue a decree to deal with school buildings for non-university education provided or subsidized by the Community, in order to fill the legal void in the area of property investment.
1991: Decree of the French Community of 19 July, which agreed to the award of a supplementary teaching grant equivalent to BEF 200 million (almost EUR 5 million), indexed each year, to all secondary schools. This decree implemented the sectorial agreement concluded between the government of the French Community and associations representing teachers, which had called for a general upgrading of salaries.	• Improve teacher/pupil ratios; • refinance education; • encourage the achievement of educational objectives.	Discussion of the sectoral agreement in the Community parliament focused on the timeliness of this decision at a time when the budgetary situation in the French Community was particularly weak. Highly charged negotiations forced the presidents of both parties in the ruling coalition (Socialists and Christian Democrats) to commit their parties to the funding of the agreement, which was formalized in 1993 as part of the Saint-Quentin agreements.
1992: Strict measures to achieve budgetary savings, with the application of a calculation of the *capital-période* that was closer to the basic principles established in 1984, and a restoration of equilibrium in secondary school teacher/pupil ratios. These measures were applied over a period of five years and designed to reduce the teacher/pupil ratio gradually. Measures were also introduced during the same period to limit the conditions under which secondary schools could be created, maintained, merged or divided.	• Rationalize and correct certain deviations that had appeared over time; • restore equality among schools; • reduce competition among schools, while allowing them to become large enough to offer a broader range of options; • encourage discussion and joint action among schools in the same sector.	Education provision and options adopted by secondary schools appeared to be the principal reasons for widely differing teacher/pupil ratios. In the case of small schools and poorly attended classes, the disparity between the range of courses offered and size of the school population concerned proved to be very costly. The principle of pupil equality was, therefore, not respected, as it was observed that a large number of classes were poorly attended even where the average teacher/pupil ratio was relatively high. This conflicted with the measures intended to rationalize education provision. This was attributable to the calculation systems and the use, by schools, of the *capital-période*. The system planned for more generous teacher/period ratios in so-called certification streams (*filières de qualification*, or vocational and technical training leading to a certificate) and the *années d'accueil* (years that led into them) than in the *filières de transition* (streams for general and technical transitional education). There was greater competition among schools within the same sector than between sectors.
1993: Saint-Quentin agreements, which provided for a transfer of responsibilities regarding the administration of the school infrastructures of the French Community from the latter to the regions of	• Reorganize the distribution of responsibilities among the various authorities.	This transfer included financial provision for organizing support to the Community from these two regions, particularly as the transfer of responsibilities was not accompanied by the award (from the Community to the regions) of all the resources needed to fulfil these responsibilities.

REFORMS	AIMS	CONTEXT
Wallonia and Brussels. The Community ceded ownership of some of the school buildings in its sector to public-service companies created by the Regions.		
1995: French Community Decree of 14 March. Supplementary operational funds were provided for certain schools, which had to meet objective criteria relating to the number of pupils lagging behind in their studies, the number of foreign pupils and pupils from disadvantaged social and economic backgrounds. These funds could be allocated for operational purposes, facilities and equipment, and human resources.	• Take the diversity of school funding needs into account; • allocate additional resources to schools; • encourage the achievement of educational objectives.	The aims to be pursued by basic education were specified in an action plan intended to promote success in schools, which brought together, at the initiative of the Minister of Education, all organizations representing the administrative bodies. The decree introduced a plan for the reform of basic education which was meant to move gradually towards an organization based on stages (and no longer on school years), in which pupils were assessed with reference to *socles de compétence* (core skills). The aim was to reduce the number of pupils who repeated a year during the initial stage of primary education. The decree established a series of new structures to stimulate joint action and the sharing of teaching experience by schools.
1996: French Community Decree of 24 June, establishing an emergency fund for buildings in all sectors, which were in a 'disturbing condition'. A commission distributed the funds and advised the government.	• Respond to urgent problems facing school buildings.	In the discussion on accessing the financial resources contained in the emergency programme, no reference was made to membership in a sector, any specific characteristic or any other attribute of an administrative body, which was traditionally significant in the distribution of financial resources to schools.
1997: French Community Decree of 24 July introducing certain innovations in school funding. It made it possible, for example, to take the social and cultural background of pupils into account (positive discrimination was employed to provide resources for those who needed them most).	• Take the diversity of pupil needs into account; • provide equal opportunities for social, professional and cultural integration.	This decree specified the responsibilities of basic and secondary education and organized suitable structures to achieve them. This important project brought all existing structures and procedures within the scope of the general aims attributed to the education system. As in the March 1995 decree, special significance was attached to the implementation of extensive joint action by the partners involved in education, and the role of local structures. The upshot of this was twofold decentralization towards, first, a larger number of participants and, secondly, smaller geographical areas. In each case, discussion between the partners, the pooling of experience and other joint initiatives were all encouraged.
1997/98: Each administrative body could transfer a maximum 5% of its operational resources to another such body in the same sector. In addition, the establishment of a fund financed out of deductions from grants for school operations created a form of solidarity between sectors.	• Develop a mechanism to promote solidarity among schools.	

GERMAN-SPEAKING COMMUNITY

REFORMS	AIMS	CONTEXT
1990: Decree of 5 June to fix the number of hours of lessons/teaching (calculation of the 'teaching hour package').	• Enable the planned organization of its investments by each school (and sector); • correct certain irregularities and simplify calculation procedures; • develop a mechanism to achieve greater solidarity between schools; • reduce competition between them.	A difficult period from the standpoint of autonomy, given that prior to the revision of the Constitution (1988) the German-speaking Community had no minister or ministry of education, and no powers in that particular area. During this period, the main aim was to provide for continuity, while drawing on a separate budget and creating the necessary responsible bodies.
1994 (1): Decree of 18 April to establish the financing of operational subsidies.		
1994 (2): Decree of 27 June concerned with the financing and subsidizing of infrastructure-related measures.		
1998: 31 August 1998: reforms began with the basic decree followed by the decree on basic education. The basic decree defines the tasks of basic and secondary education and the structures appropriate to carrying them out. The second decree sets out the conditions governing the award of subsidies, as well as norms relating to the maintenance and closure of schools, possible sanctions, the activities and branches of teaching, the time devoted to teaching pupils and the working time of staff. Establishment of a new formula for the calculation of allocations based on staffing (known as *Stellenkapital*) instead of staff time.	• Define the general aims to be achieved within the education system, as well as the role to be assumed by the various players in education; • specify the timing of the different stages of both reform related to teaching practice, and structural reform (up to the year 2003); • reorganize the financing of basic education.	The period between 1996 and 1998 was notable for political and social discussion (between the social partners in education) on the reform of (full-time) compulsory education, along the lines of the other Belgian Communities and in accordance with teaching trends in Europe. Transitional decrees (the *Programmdekrete*) were passed in 1996, 1997 and 1998. Their aims were threefold: ensure the sound conduct of education while awaiting the decrees for reform; consult the social partners in education (sectors, school heads, teachers, parents, unions, etc.) for the purpose of broadly-based action mobilizing grass-roots interests; and prepare the reforms of basic (nursery and primary) and secondary education. Major reforms were carried out in the other Communities of Belgium and new trends emerged throughout the whole of Europe. As the German-speaking Community did not want to (and could not) act unilaterally in the Belgian context, the organization of education and the reforms were intended to reflect a process of broad consultation and joint endeavour involving not only the social partners in education, but the other Communities too.

FLEMISH COMMUNITY

REFORMS	AIMS	CONTEXT
1988: Special Flemish decree of 19 December. The *Autonome Raad voor het Gemeenschapsonderwijs* (ARGO) now ran education on behalf of the Flemish Community. Within the ARGO, the central council received and administered financial resources (for staff recruitment, and management of the property and infrastructure of education in the Community).	• Reorganize the administration of schools run by the Flemish Community.	Following the revision of the Constitution (15 July 1988), which permanently transferred the education sector to the Communities, the latter took the steps required to provide education in their area. The independent council, rather than the Ministry of the Community, became the body responsible for administering Community education.
1989, 1990: Flemish decrees included different sections of the legislation on education. In particular, they provided for a secondary education system with a unified structure, through a merger of traditional and reformed education.	• Rationalize educational provision.	Since 1971, two types of secondary education (traditional, Type II, and reformed, Type I) have coexisted. The savings that were meant to be achieved by implementing Type I were never achieved – on the contrary. In addition, the coexistence of the two kinds of provision fragmented the education system and made it harder to manage.
1991 (1): The Flemish decree of 1 April which provided for the participation of parents, teachers, the administrative body and local community at school level in Flemish Community education. Local school boards (*lokale schoolraden*, or LORGO) were established with a key role in decision-making. They were responsible, in particular, for temporary employment, recommendations to the central council of lists of candidates for permanent positions, local practical and financial management and educational policy, and performed these duties under council supervision. This decree gave greater autonomy to Community and grant-aided schools to take decisions affecting, in particular, the allocation of money for operational purposes. Funds for staffing were not transferred to the schools materially, but schools were able to administer on their own the use of these funds internally, through self-management of the total amount of teaching staff time, which had to be proportional to the number of pupils. A certain amount per pupil was paid to schools to cover their operating costs.	• Improve the participation of the various groups involved in school management, and develop procedures to decentralize it.	This decree was part of the decentralization process initiated by the 1984 decrees. By extending the transfer of education to the Communities, this decentralization was one of the methods employed to reduce the education budget and modernize its administration. The need for improved management and budgetary restrictions must be understood in the light of certain contextual factors. They included the policy of monetary convergence pursued at European level, which forced Member States to stabilize their public finances; maintenance of the level of educational expenditure at a time when the size of the school-age population was declining; and a very high number of teaching hours per pupil.

REFORMS	AIMS	CONTEXT
1991 (2): Flemish decree of 23 October. Participation councils (known as *participatieraden*) were established for grant-aided primary and secondary education. These councils were made up of representatives of the administrative body, staff and parents. They exercised an advisory role with regard to the general organization, management and action of schools, as well as the criteria governing pupil assessment and supervision.	• Continue the policy of increasing school autonomy.	
1997: The Flemish decree on basic education reformed and reorganized existing legislation on (pre-school and primary) basic education. As in the case of subsidies, the teacher/pupil ratio was now established in a linear fashion, so that small schools could support marginal costs associated with their size.	• Rationalize financial administration of the basic education system.	Teacher/pupil ratios had previously been established on a downward-moving scale. In 1995, a Flemish decree adopted the final developmental aims for ordinary primary education. In 1996, another Flemish decree on education included various sections of legislation concerned, in particular, with the supervision of compulsory education.
1998: The government imposed the following measures: • restrictions on the permanent employment of new teachers, and the creation of new schools in secondary education; • a reduction in the number of options in secondary education, which has been meant to reduce the teacher/pupil ratio; • a readjustment of balance in the funding for the different sectors (currently to the advantage of Community-administered education) and levels (since secondary education was more expensive than primary and higher education). In the end, it is intended that action programmes for pupils from disadvantaged and immigrant backgrounds should become unified.	• Rationalize administration of the secondary education system.	Preparation of the second reform of secondary education. In response to omnipresent budgetary concerns, schools were encouraged to merge and collaborate financially in order to achieve economies of scale. It was intended that schools which came together, and collaborated with other schools, should receive additional funding. The aim was to create 'communities of schools' that would take responsibility for material and financial management.

DENMARK

Authorities responsible for schools: The Danish system is organized, in part, according to the subsidiarity principle: decisions must be taken at the level closest to the citizen. If a municipality can provide a service, it should do so and not the government or the counties. This principle implies the decentralized distribution of tasks and responsibilities and a legal and financial context that authorizes and makes possible local autonomy. Such a context was created by the reforms of the 1970s. As regards grant-aided private schools, a strong tradition of private education reflecting a real demand for it in society, has developed since the Constitution was adopted in 1849. It corresponds to needs expressed by religious denominations and linguistic and ethnic minorities.

Method of financing schools: Because of the firmly established equality principle in Denmark, balancing mechanisms ensure the same opportunities to all municipal schools in terms of the services offered. Municipalities manage and finance the *folkeskolen* (public-sector schools). They are free to determine the expenditure level since education is entirely financed by their own tax income (which is marginally supplemented by block grants from central government). If municipalities decide to improve the standard in the *folkeskole*, they will have to increase taxation. If they reduce standards, the savings can be used to lower the tax rate. This financing scheme, which follows the subsidiary principles and the principle of coherence between financing and decision-making, was completed – by and large – in 1970, after many years of reform. Grant-aided private schools are financed by central government, and the responsible school boards have full autonomy, with restrictions only for teacher salaries, which must respect the collective agreements.

Education supply and demand: The basic rules governing compulsory education and the freedom of choice were defined by the Constitution of 1849. Municipalities must divide the area under their jurisdiction into a certain number of districts, and parents must enrol their children in the school of their district. Since 1972, the period of compulsory schooling has been nine years. The school-age population declined steadily up to 1995/96.

General economic and political context: The application of the principle of equality at times gives rise to tensions. From the citizen's viewpoint, this principle in theory guarantees equivalent content and equality throughout the country in the *folkeskolen*. In grant-aided private education, the principle takes the form of very liberal legislation. There is a broad political consensus behind this state of affairs, and the two networks coexist peacefully. Indeed, the system is largely based on consensus (no reforms have been imposed without a political majority and jointly agreed action). The topic of education is seldom considered from a narrowly political perspective, and reforms generally entail long-term implementation.

REFORMS	AIMS	CONTEXT
1970: Structural Reform. The number of municipalities was reduced (from 1 366 to 255) and they were given new responsibilities. The country was divided into 14 counties.	• Rationalize the administration of the country, and reform local authorities, particularly the management and funding of the *folkeskolen*.	During the 1950s, there was a demand for reform resulting from inability on the part of the parishes to assume the most elementary municipal tasks, especially those relating to education. There was also growing dissatisfaction with the methods of providing funding (partial reimbursement by the government). At the request of the Ministry of the Interior, a working committee examined the reform of the municipal structure from 1958 to 1966. The reform act was adopted in 1967.

REFORMS	AIMS	CONTEXT
1971: Act governing financial assistance to grant-aided private schools. Schools meeting the criteria received an operational grant (calculated on the basis of their expenditure, with no option to transfer funds between budget items) and a grant for buildings on the basis of special regulations (state loans at modest interest rates).	• Provide further funding for grant-aided private education (elementary schools, *gymnasiet* and boarding schools).	In some regions, grant-aided private schools were opened to replace the *folkeskolen*, especially after 1970 when many municipalities closed small schools in order to encourage school mergers or reorganization in the *folkeskole* system. The new system as implemented proved inadequate in responding to funding needs for buildings. As a result, requests were blocked and waiting periods became very long. The suspicion emerged that certain schools might have been favoured at the expense of others.
1970-75: Reform of school missions and expenses. The model of reimbursement by the government on the basis of municipal expenditure was replaced by a system of block grants based on objective criteria. The government thus abolished proportional reimbursement of a portion of teachers' salaries in municipal schools.	• Establish greater equality between the rich and less privileged parts of the country; • establish a closer link between financial duties and responsibilities.	The conditions under which municipalities received funding before 1970 played an important part in the reform of administrative structures. In particular, the need to promote economic equality among municipalities was a constant topic of political deliberation. There was a growing contradiction between increased central government intervention, on the one hand, and the desire for local autonomy underlying the administrative reform process, on the other. This tension led the prevailing system to be increasingly challenged. A 1968 report demonstrated the relative effectiveness of the system, but raised a fundamental criticism. This was that the use of reimbursements to equalize local tax burdens on a large scale could lead to reimbursement rates so great that municipalities might be tempted to contract expenditure for the public sector that could not easily be justified economically. An alternative therefore had to be considered. NB: proposals to replace the system of reimbursements with a grants system had been formulated since the end of the 1940s.
1974: Act establishing a municipal contribution for pupils in grant-aided private schools at a uniform rate, without taking into account the level of expenditure of the municipality or the private school.	• Prevent movements of pupils between public and grant-aided private schools having a financial impact on the economy of the municipality concerned.	Municipalities allocate contributions to municipal schools that vary in accordance with their revenues. Before the new law and in municipalities that paid a very large contribution, the movement of pupils from municipal to grant-aided private schools, which were directly financed by central government without any municipal funding, implied a significant decrease in expenditure on education at municipal level.
1973-75: Implementation of a reform plan. Each county board had to draw up an overall investment plan for its school system, which was based on proposals from the municipalities, and had to be approved by the Ministry of Education.	• Ensure effective coordination between different levels of power.	During the period prior to the reform of the method of promoting equality among the municipalities and reinforcing the decentralized units, there was already discussion of the need for national coordination and planning. In 1971, the 'long-term plan for 1970-85' was published. It emphasized the urgency of coordinating the activities of the government and the various municipalities. The arrangements introduced in 1973-75 were never very successful.

REFORMS	AIMS	CONTEXT
1977 (1): Introduction of a common budgeting and accounting system mandatory for all municipalities. The municipal council was authorized to allocate a total budget for operation of the *folkeskole* system. Following this, decisions regarding categories of expenditure and revenue and particular schools in the municipalities could be delegated to a board at a lower level in the system, namely that of the schools themselves.	• Give schools an opportunity to control their budgets; • provide an opportunity to devolve decision-making powers from the municipalities to the schools.	The receipt of extraordinary revenues by schools initially had to be followed by a reduction in their budget for expenditure.
1977 (2): Reform of grant-aided private schools (relating to their establishment and funding, etc.). Operational grants were calculated on the basis of their actual transactions.	• Provide additional funding for private education (grant-aided private elementary schools, *gymnasiet* and boarding schools).	
During the 1980s, a series of Ministry of Education circulars on the *folkeskolen* recommended limiting expenditure on teaching staff.	• Limit expenditure on teaching staff.	As a result of the decline in the number of pupils, and the political aim of limiting public expenditure, political concerns shifted during the 1980s.
1984: Introduction of the 'extended total balance principle', under which municipalities received compensation in the form of a block grant if the new restrictive governmental provisions led to additional expenditure.	• Regulate the impact of the new initiatives from central government on municipal expenditure.	
1986 and 1989: Acts that altered grants for grant-aided private elementary schools.	• Ensure greater administrative freedom for private schools.	In 1986, a commission established by the Ministry of Education published a White Paper on the increase in the managerial and financial freedom of elementary grant-aided private schools. The commission recommended the introduction of new arrangements for funding private schools covered by the 1971 Finance Act. It also recommended dividing the operational grant into a grant and a reimbursement. The grant was to be calculated on the basis of predetermined objective criteria enabling the Ministry to formulate more accurate budgetary estimates. The commission rejected the idea of per capita funding, of which it had a very simplified perception. At the time, the other sectors of education were not yet funded according to this system. The commission suggested that school fees should be an additional criterion for access to funding (so that private education was not exclusively funded from public resources).

REFORMS	AIMS	CONTEXT
Mid-1980s: Permission in certain cases, for schools to retain resources they had generated themselves.	• Adjust the system to enable schools to assume budgetary control over expenditure.	No study demonstrates the extent to which this aim was achieved.
1989: Reform of responsibilities in the public sector. County responsibilities relating to public sector schools were abolished with the exception of those involving extensive special education. School resources and development plans no longer had to be approved by the county and the Ministry. A commission was established to analyse items of municipal expenditure, in an attempt to improve control over resources. School boards were established at the same time.	• Simplify the administration of the *folkeskolen*; • decentralize the decision-making process in financial matters; • increase the influence of the users (parents).	In 1987, a publication of the Ministry of Education recommended the decentralization of management and decision-making to school level. Schools were to be involved in decision-making related to financial matters and daily operations, while the municipal council's role was to be limited to the simple specification of school working conditions. The same year, another publication on the *folkeskolen* (a 1987 White Paper) set out proposals for cooperation between the Ministries of Education and Finance. It recommended budgetary control of expenditure for the *folkeskolen*. The influence of consumers and users had long been a watchword in the debate on the public sector. There were proposals to establish, on the one hand, a school board with extensive powers and, on the other, the right of parents to choose their children's school. However, teacher trade unions and municipal authorities strongly resisted the idea, as they did not wish to be prey to the market forces implicit in freedom of choice. Meanwhile, parents, the beneficiaries of the reform, were not well organized and, therefore, unable to establish an effective counterweight in the traditional corporatist decision-making system. As a result, the school board was ultimately given limited and purely formal powers. Ultimately, the municipal council was responsible for deciding whether additional tasks or responsibilities could be delegated to the school board. Very few municipalities have decided to decentralize decision-making to a great extent. Usually school boards can only decide on expenditure within the budget on a limited range of cost items. Investment decisions are in all cases centralized. Furthermore, while the legislation emphasized the importance of parental freedom to choose a school (from among those in the municipality) with an eye to the quality of teaching, and made municipal councils responsible for ensuring that this freedom was respected as far as possible, councils adopted very conservative attitudes regarding this matter.

REFORMS	AIMS	CONTEXT
1990: Act of 13 June enabling municipalities to employ staff without formal qualifications to teach certain specific subjects in municipal schools. In addition, it abolished provisions affecting the maximum number of lessons each week.	• Enable municipalities to provide additional lessons for pupils, rather than reducing the teacher/pupil ratio.	The 1987 publication on the *folkeskole* proposed measures to facilitate municipal control of teaching staff costs at a time when the number of children was declining. However, these recommendations had a limited effect on legislation.
1991: Act on grant-aided private elementary schools placing them on a parallel footing with municipal schools and introducing the per capita funding method.	• Increase the autonomy of private schools; • develop private education.	Private schools felt themselves to be at a disadvantage compared with the *folkeskolen*. They considered that the distribution of grants favoured small schools at the expense of large ones. In 1991, a commission established by the Ministry of Education to draft proposals for a new funding method for grant-aided private elementary schools (and, later, private *gymnasief*) published a White Paper. It proposed parallel arrangements for these schools and the *folkeskolen* (grants based on the number of pupils). The idea that resources should follow the users fitted the policy line developed by the government. Under the Minister of Education, a liberal, the policy would be to stimulate competition between the private and the public sectors to offer citizens a variety of options. The government programme also included simplified regulations and optimization/deregulation of the public sector. The economic context was very unfavourable and, for the conservative government in power at the time, it was important that public expenditure should be controlled. Mechanisms were therefore necessary to provide effective political control and establish priorities in public expenditure.
1992: Reform of grant-aided private elementary schools (grants for school-based leisure-time activities).	• Supplement the funding of grant-aided private education.	This reform reflected pressure from school organizations, and was implemented in 1994. During the 1980s, the municipalities in effect developed school-based leisure-time activities for each public-sector school to cater for pupils outside school hours. Certain grant-aided private schools also developed activities of this kind that were totally funded by school fees.

REFORMS	AIMS	CONTEXT
1993 (follow-up to the 1991 reform): This involved per capita grants for school buildings in the grant-aided private sector, regardless of previous expenditure. However, the size of the new grant was not to be greater than that of the old one. Reform of grant-aided private boarding schools on the basis of a model for grants similar to the one for grant-aided private schools.	• Incorporate construction expenditure into school finances, and give schools stronger incentives to economize.	Per capita funding for all budget items, including buildings, appeared to be a useful tool for limiting expenditure. There was a consensus as to the ineffectiveness of the previous model. Furthermore, this reform was consistent with the government view that the authorities should not become involved in individual transactions, but should instead create the framework and conditions necessary for such transactions to take place rationally and effectively.
1992/93: Modification of conditions governing the tenure of teachers in the *folkeskolen*. Municipalities assumed full authority for employment.	• Decentralize personnel administration to municipal level.	During the 1960s, the right to negotiate teachers' terms of employment was transferred from the municipalities to the government. At that time, the latter was regarded as better able to resist pressure from teachers for higher salaries. In 1993, teacher salaries and working hours in the public sector became subject to negotiation at central level between the National Association of Local Authorities and the Central Organization of Danish Teachers. Teachers' working hours were established on the basis of a new model that took account of all aspects of their activity (including teaching, class preparation and other duties). Greater importance was attached to flexibility and the weekly minimum number of lessons.
1997: Fresh agreement between the teachers' trade unions and national and local authorities. Cooperation was developed to implement 'The *folkeskole* in the year 2000' programme. This programme targeted eight fields for action, some of which involved funding issues and administrative methods. Resources had to be considered in global terms and analysed, along with the effectiveness of their use and school quality. New initiatives had to be developed on the basis of experience with more flexible employment of human and financial resources.	• Increase parental involvement in school management; • modernize managerial methods at both municipal and school levels with a view to developing the *folkeskolen*; • employ resources to target specific goals and in a more rational fashion.	According to the report of a government commission, the 1992/93 regulations led to an increase in expenditure in the municipal schools despite the decrease in the number of pupils enrolled. The report claimed that the higher cost per pupil could be attributed to teacher salaries and work timetables. In the light of the increased enrolments expected for 1995/96, it recommended raising the teacher/pupil ratio, allocating funds to schools on the basis of the number of classes rather than the number of pupils, and increasing flexibility in teachers' working conditions. This report met with considerable criticism from the trade unions. Growing criticism of the *folkeskolen*, particularly in the light of the poor performance of Danish pupils in comparison with those of other countries in international studies.

GERMANY

Authorities responsible for schools: In Germany, responsibility for the education system is conditioned by the federal structure of the State. According to the *Grundgesetz* (Basic Law), educational legislation and administration are primarily the responsibility of the ministries of the *Länder*. In 1949, the Standing Conference of the Ministries of Education and Cultural Affairs was set up by the *Länder* as a coordinating body to ensure that the German education system possessed a certain required degree of uniformity. The federal government has only a very limited number of responsibilities with regard to education (in-company vocational training and broad regulatory arrangements for public services, including the payment of civil servants and teachers in particular). Most responsibility for education is divided between the authorities of each *Land* and the local authorities (municipalities). Individual schools are not very autonomous. They receive funds from these two players and may administer only a part of the school budget on their own, depending on the budgetary regulations at *Land* and municipal level.

Method of financing schools: The burden of funding compulsory education is divided between the *Länder* and local authorities, and this has been the case since the 19th century. Local authorities take responsibility for external school affairs (building construction and maintenance, equipment and facilities, teaching materials, opening and closing of schools, operational expenditure, expenses for non-teaching staff and financial assistance for pupils), while the *Länder* are responsible for internal school affairs (defining the curricula, prerequisites, content and structure of the system, teacher training and assessment, allocation and payment of teaching staff). Private education is funded primarily out of public funds, but the regulations governing funding vary from one *Land* to the next. Private schools may levy school fees, but the Basic Law prohibits discrimination among pupils on the basis of parental income. Assistance must be provided for underprivileged pupils. The stability of the education system has made it unnecessary to reform the method of distributing resources or the decision-making mechanisms for a long time in Germany.

Education supply and demand: Compulsory schooling was extended during the 1960s. Full-time schooling lasts for nine or ten years (depending on the *Land*) and is followed by three years of part-time schooling for those young people who do not attend a full-time general or vocational school at upper secondary level. The type of school chosen by parents for their children shows there has been increasing demand for lower secondary school types (and especially the *Gymnasien*) that lead to upper secondary schools giving access to higher education. For compulsory schooling at primary school and the *Hauptschule*, pupils must always attend the local school. If no *Schulbezirke* (catchment areas) have been fixed for a type of secondary school, parents are always able to choose which school their child attends. In this case, the capacity of the school is the only limiting factor affecting the pupil's right to admission. One per cent of pupils in primary education attend grant-aided private schools, while up to 10% of those in *Gymnasien* do so. On average, 5% of the pupils in general education schools attend private school, although these proportions vary depending on the type of school and the *Land*.

General economic and political context: Until unification of Germany in 1990, the Federal Republic of Germany comprised 11 (West German) *Länder*. Back in 1945, five *Länder* were formed in the area later to become the German Democratic Republic (GDR), but they were replaced by districts. Following the 'peaceful revolution' in the GDR, the same five *Länder* were reintroduced so that, since 1990, Germany has been made up of 16 *Länder*. With a view to establishing a broadly uniform basic structure for the German education system, the parliaments of the five east German *Länder* adopted school legislation to introduce the differentiated (former West German) system of secondary education (known as *gegliedertes Schulwesen*), at the beginning of the 1992/93 school year. The trend towards an increasing number of pupils at *Realschulen* and *Gymnasien* (with a more academic curriculum than courses at the *Hauptschulen*) continued after unification. These developments led to a constant increase in public expenditure on education. Since 1989/90 most *Länder* have introduced measures to limit expenditure on teaching staff by increasing their workload and the number of pupils per class, or by slightly reducing the number of teaching hours within a certain range of compulsory weekly instruction depending on the *Land* and type of school.

REFORMS	AIMS	CONTEXT
1990s (1): Many *Länder* have launched a growing number of reforms at the level of the municipalities designed to grant greater financial autonomy to schools and increase their budgetary responsibility. New procedures and mechanisms for decentralizing the budget have been tested. In the long run, they should lead to a redefinition of the authority and responsibility of the various players in the school system. Strategies have been created for arrangements to supervise and facilitate the monitoring of resource use.	• Begin a process leading to greater school autonomy; • perfect new models for the allocation and use of resources.	The budget deficit was apparent in all sectors of public expenditure. There were too many new teachers, and contrasting demographic trends (a population decline in the *Länder* corresponding to former East Germany, as compared with an increase in the remainder). Minor fluctuations were observable in the financial resources allocated to education (5.5% of GNP in 1975, 4.2% in 1990 and 4.8% in 1996). A process of modernizing public administration with a view to optimizing resources which extends to the school system is currently the subject of debate. This was the context of growing awareness as to the cost of the system, and the need to use resources more efficiently. Individual schools increasingly became the focus of efforts to make changes, and were more and more considered the driving force behind developments related to either teaching or financial activity. Indeed, some have felt that schools are best placed to administer the increasingly limited resources most effectively. From this angle, responsibility for resource use ought to be delegated partly to the schools, while financial and administrative regulations should make it possible to provide incentives for more efficient use of resources. The aim, therefore, has been not only to reduce the volume of resources, but also to improve cost-benefit ratios. As a result, there have to be opportunities for the local use of resources in a way consistent with the priorities and particular characteristics of the circumstances facing each school, in order to enhance effectiveness. Awareness of the need for evaluation systems has developed in this general context. Although the internal evaluation system (analysis of whether teacher and teaching requirements are being met) is already at an advanced stage, this does not apply to external evaluation (examination of the effectiveness of the resources used).
1990s (2): Testing of several models for the organization of the teaching load, in particular to achieve greater flexibility in the employment of teachers at the beginning and towards the end of their career.	• Optimize the use of human resources (teaching staff) through better distribution of the working hours of teachers throughout their careers; • reduce the oversupply of young teachers without employment.	The calculation of teachers' weekly workloads has not changed significantly since the beginning of the 1920s. It has been based essentially on the type of school, rather than the subject taught. In order to take account of stress experienced in the teaching profession, projects have been established to alter the teaching load structure in line with a system of modular work credits earned by staff throughout an entire career. Several models including some which involve part-time teaching, a sabbatical year, or modules in which a heavy workload in the early part of a career is compensated for by more time off work in the later stages, are being tested and assessed in the various *Länder*.

REFORMS	AIMS	CONTEXT
1995 onwards: Recommendations by experts to give municipalities greater responsibility in matters involving the quality of education, in their function as maintaining bodies of schools.	• Enable schools to develop areas of specialization by building up an individual school profile more closely linked to the local context; • enable schools to become more open to the local community, especially with regard to resources available in addition to public funds for extra-curricular activities.	These projects have been a first step towards exploiting the benefits of greater integration into the local community, in terms not only of courses but also funding (in the search for sponsors). Public debate on this issue has been fuelled by the fear that sponsors might exert an influence over the content of teaching. Yet experience so far demonstrates that, on the contrary, sponsors are essentially interested in promoting their image via the school, without seeking to exert any influence on education. Current discussions about overcoming present funding restrictions by opening up schools to the market should be viewed in relation to the requirements of the Basic Law. According to Article 7, the entire school system is under the supervision of the State. The *Länder* maintain publicly-run school systems which aim at ensuring the necessary degree of uniformity for equal opportunities in education throughout Germany.

GREECE

Authorities responsible for schools: The education system is essentially public. Schools are managed partly by *Prefectures*. The administrative system is highly centralized.

Method of financing schools: The decision-making system governing the distribution of resources is very centralized. Decisions involving numbers of teachers and investment are taken at government level. Municipalities only determine the allocation of resources between schools for maintenance costs and transportation.

Education supply and demand: The decline in the birth rate has affected primary education since the 1970s and led to a reduction in both the number of school-age children in primary education and the number of schools, while the number of teachers grew, as did investment costs. Economic development and internal migration (urbanization and rural exodus), involved a geographical redistribution of the demand for education. Many rural schools were closed during the 1980s and 1990s. As a result, infrastructure costs declined, whereas moving costs, which were the responsibility of the local authorities, increased. The duration of compulsory education was set at nine years in 1976.

Parents can choose freely whether to enrol their children in state or private schools. The vast majority choose public-sector education. In the public sector, pupils have to attend the school designated by the authorities of their municipality. Between 1970 and 1990, there was a major reduction in the share of the education budget earmarked for private schools (in both secondary and primary education). Private expenditure, in secondary education, on foreign language and preparatory courses rose from 12% to 17% of the corresponding public expenditure.

General economic and political context: During the 1950s and 1960s, the country's economic and social underdevelopment took the form of low levels of public expenditure on education, inequalities between different income groups and workforce anomalies (with too few graduates in the sciences and too few graduates employed in industry and agriculture). Between 1964 and 1974, the rate of production increased in the industrial and service sectors. The military regime fell from power in 1974. During the 1960s and early 1970s, the economy was in a very difficult situation, and there was no alternative to state schooling even when conditions were unsatisfactory.

REFORMS	AIMS	CONTEXT
1976: The period of compulsory schooling was increased from six to nine years, while secondary education was divided into two levels, of which the first was made compulsory.		These reforms brought about a considerable increase in enrolment in lower secondary education up to 1982. Expenditure in secondary education on staff, operations and capital increased. Priority went to expenditure on staff. From 1982 onwards, a decline in the birth rate led to a decrease in the number of teachers. However, expenditure on investment continued. At present, most infrastructure needs of schools have been met, but there are still several schools that operate with two groups of pupils who attend school alternately in the same buildings.

SPAIN

Authorities responsible for schools: Until 1978, state schools were the responsibility of the central government and municipalities. Since 1978, state responsibilities have gradually been decentralized to the Autonomous Communities.

Method of financing schools: The central government and local authorities finance state schools (in primary education) to a varying extent. In the early 1970s, the State became the principal provider of secondary education as well as the main source of funding. Schools enjoyed very little financial autonomy, but their autonomy has now been somewhat increased.

Education supply and demand: During the 1950s and 1960s, public and private investments faced an increase in the demand for training due to demographic and economic growth. This growth resulted in the marked development of private secondary education during the 1960s.

In 1970, the general law on education reformed the structure of compulsory education into a unified system (covering the 6-14 age range). In 1990, the minimum school-leaving age was raised to 16. The aim of the law was to improve the provision of compulsory education, and considerable effort was directed to this end. Since the 1980s, the attendance rate for pupils between 6 and 14 years of age has been 100%. An effort has been made to raise the rate for younger and older students, and it now stands at 100% for pupils aged between 4 and 16.

General economic and political context: Following Franco's death, Spain entered a phase of major political transformation. The moderate liberal trends mainly observable in the economic sphere from the 1960s onwards, were followed by the establishment of a democratic regime influenced by a climate favourable to socialist and interventionist ideas. The education authorities slowly moved from the very doctrinaire approach that was a legacy of the ideological rift they had inherited from the civil war towards a more pragmatic conception of school management.

REFORMS	AIMS	CONTEXT
1970: General Education Act (LGE), which reformed the structure of education. The existing system was replaced by a single structure (for children aged between 6 and 14). The Act stipulated that schooling would be provided free of charge.	• Provide the same opportunities for all in education; • improve the supply of schooling in terms of quantity and quality.	Considerable effort was expended to achieve the aims of the Act. By the mid-1970s, all children concerned received schooling. The outcome of the 1970 Act (development of state schools to respond to the aims of schooling) was accompanied by pressure from a significant proportion of the population opposed to public funding for private schools. At the time, this development was of some concern to these schools, as the State became the main provider of secondary education in the 1970s, as well as the principal source of funding.

REFORMS	AIMS	CONTEXT
1978: A Constitution which declared basic education to be compulsory and free of charge; it was to be provided by both state and private schools. Education was to be managed and financed by the Autonomous Communities, though not to the total exclusion of the local authorities. As regards funding, the Constitution established that: • ideological and organizational diversity had to respect general regulatory procedures; • basic education should be compulsory and provided free of charge; • both state and private schools were meant to contribute to educational provision; • central government and the governments of the Autonomous Communities had a key part to play in education; • interested parties should be involved in the operation of schools and the system as a whole.	• Establish the rights, obligations and aims of education.	The 1978 Constitution was crucially important because it established the frame of reference for the development of the education system. It was based on a consensus regarding education, which made it possible to regulate all aspects of the system in accordance with basic constitutional principles. The legislature was fully aware of these egalitarian aspirations and the yearning for individual liberties. There was inevitable tension between egalitarian and liberal values, in particular as regards funding. The Constitution set forth numerous and at times contradictory principles. With some hindsight, however, it is fair to conclude that the various laws that followed it (and, in particular, those of 1980 and 1985) resulted in respect for the principles it promoted.
1980: Basic Law regulating School Statutes (LOECE). The first attempt to adapt the 1970 law to the principles of the 1978 Constitution, this regulated the organization and management of schools and, to a lesser degree, the organization and management of the primary and secondary education system. The proposals contained in the 1980 law strongly emphasized the need to grant school heads managerial autonomy as one aspect of general autonomy for schools in terms of resource allocation. This law was repealed a few years later.	• Provide funding for education consistent with the principles of freedom; • establish legal procedures to govern the creation of (private) schools and the rights of their owners and operators; • define the principles and values promoted in private schools;	The differing aspirations that led to the drafting of the 1978 Constitution also resulted in its being interpreted more simply in the political arena. Discussions were polarized over the various possible meanings attributable to the concepts of equality and freedom. Freedom was interpreted primarily in terms of individual choice and the availability of private education, whereas equality was seen to call for state regulation and the provision of public-sector education. The debate addressed a key dilemma involving the protection of fundamental freedoms and a truly egalitarian system. In other words, there was an intrinsic tension between two concerns: the one involved the maintenance of the private sector while the other sought to enlarge the public sector. This tension continued to be present in and influence educational legislation after 1978. Depending on circumstances, one alternative prevailed over the other. In the case of the 1980 law, it was the liberal option that predominated.

REFORMS	AIMS	CONTEXT
	• grant schools autonomy in terms of management and curricular content.	The law did not formulate any regulations involving decentralization, the participation of interested parties in the administration of schools and the system, the conditions governing subsidies for private schools to provide education free of charge, or the planning and coordination of supply in education so as to ensure quality schooling for each child. Not all proposals contained in this law were applied, as they were judged to contradict certain constitutional principles (in particular, the autonomy of the school head appeared unjustifiably to limit the participation of the parties concerned).
1985: Basic Law regulating the Right to Education (LODE), which defined methods for funding and allocating resources to public-sector, grant-aided private and independent schools. It stipulated similar funding conditions (uniform subsidy units) for private and state schools except in the case of capital expenditure; compulsory education free of charge; funding conditions for private schools; and the opportunity for parents to choose schools freely as long as they were not full. The law also regulated the decentralization of education from the State to the regional governments. It specified the arrangements under which interested parties could participate at different levels of the system, the managerial principles of schools and the system, and the functions of the *Consejo escolar* (school boards) at the various decision-making levels. Schools became responsible for the allocation and control of certain operating expenses and aspects of the curriculum, and private schools became responsible for employing their teaching staff.	• Regulate the egalitarian aims and the participation of the interested parties, while addressing the issue of school management and public funding for compulsory education provided in private schools; • provide funding for public and private schools that satisfied the desire to guarantee equal access to education and make it possible to choose schools without suffering economic, social, religious or other forms of discrimination; • make it possible to control and evaluate funding.	Unlike the 1980 law, which was discredited and presented as developing a mistaken interpretation of the spirit of the Constitution, the legislature opted for egalitarianism and regulation in 1985. The LODE clarified the compulsory nature of education's egalitarian aim: disadvantaged pupils had to be assisted to enjoy the same opportunities as others. After more than a decade, the 1985 law appears to have functioned quite satisfactorily. It had a greater impact than the LOECE. The LODE replaced the 1970 regulations as regards certain economic and management aspects (decentralization and greater autonomy in the management of private schools). Nonetheless, it was not until the 1985 law that the tasks of school boards were defined more effectively. The system implemented under the 1985 law provided control and funding on the basis of public participation, with autonomy that was very limited for state schools, but greater for private schools, in the area of resource allocation.

REFORMS	AIMS	CONTEXT
1990: Basic Law on the General Structure and Organization of the Education System (LOGSE), which set out new structures for Spanish education with the extension of compulsory schooling (from eight to ten years) and changes in the curriculum. The financial management of the changes was not defined precisely: the law was approved without establishing the corresponding funding.	• Improve the provision of education.	The 1990s were marked by an economic recession, budgetary restrictions and an approach to the regulation of the education system that was less anchored in ideological rifts. As the financial resources to be used had been defined so imprecisely, implementation of the 1990 law took a long time (almost ten years) and was not achieved in the best possible way. The lack of a rigorous financial framework compromised sound implementation of the reform, and led to the development of ad hoc discretionary practices, in particular with regard to resources. The effects of the 1990 law can nonetheless be judged positively, at least in terms of its adaptation of the 1970 law to the 1978 Constitution and the creation of a framework for school autonomy, although the latter remained limited for state schools as far as the allocation of resources in particular was concerned.
1995: Basic Law on the Participation, Evaluation and Administration of Centres of Education (LOPEG), which expanded on provisions in the LODE regarding the participatory nature of schools, and laid down certain standards for the organization and operation of governing bodies in publicly-funded schools to adjust them to the LOGSE provisions. It dealt, first and foremost, with the participation of the different stakeholders in school administration and supplementary and extra-curricular activities, while regulating the independent management of public educational establishments and the formulation and publication of their educational plans. Furthermore, this law regulated the governing bodies of public-sector schools, as well as evaluation concepts, models and the dissemination of results. School inspection was modified and supervision by education authorities was regulated.	• Improve school administration by improving interaction between the school head, the external inspectorate and the participation of other interested parties; • increase opportunities for supplementary private funding for state and private schools, while not authorizing schools to charge fees; • promote school autonomy; • end a method of management that had at times been judged excessively bureaucratic.	The 1995 law put forward a managerial approach to regulation that adapted the management and control of schools and the education system (with the exception of tertiary education). Unlike the LODE or the LOECE, the LOPEG adopted a less ideological perspective. To understand the LOPEG, one must take into account not only the political confrontation that accompanied the implementation of the LODE but also certain changes that the latter law initiated: a) schools efficiently combined their management activities with a significant degree of autonomy; b) involvement of the interested parties gradually became more common despite sometimes exerting an inappropriate, or even excessive, influence on school management; c) the atmosphere of conflict evident in previous years gave way to debate over the positions respected by the various parties. These factors explain why the approach of the LOPEG was to alter or improve the operational effectiveness of previous legislation that was functioning poorly, rather than to adopt general measures to convey an ideological position. This new attitude was not alien to certain aspects of the economic and socio-political environment. On the one hand, the economic recession made it unlikely that the resources allocated to education would be increased. On the other – and in contrast to the situation in the 1970s and 1980s – there were no priorities that were considered socially urgent. These diverse elements no doubt explain why the 1995 law sought to present improvements to the education system in terms of effectiveness and efficiency, and adopted a management-type regulatory model that combined the allocation of resources with the control of performance and evaluation of results.

REFORMS	AIMS	CONTEXT
1998: All the Autonomous Communities were supposed to have implemented the principle of the decentralization of education, and to have taken the place of the Ministry of Education and Culture as regards the management and funding of primary and lower secondary education. Once the decentralization process had been completed, the sources of funding were to become the local authorities and governments of the Autonomous Communities, as well as private donations, for state schools, and the regional authorities (Autonomous Communities) and private contributions for grant-aided private schools.	Ensure that state and grant-aided schools are compatible as regards: • the right to education; • the opportunity to choose a school and kind of education; • the same curriculum for all; • coordination by the central government in terms of resources and funding; • participation of the various interests involved in school management.	The decentralization of education had already been achieved in a certain number of Autonomous Communities. The managerial issues underlying mechanisms for allocating and managing resources have remained on the agenda: they are present in the reform topics currently under consideration at the Ministry of Education and Culture.

FRANCE

Authorities responsible for schools: State education is administered by the central government which, by means of detailed regulations, lays down a broad framework for the activities of primary schools and *collèges* (lower secondary schools). Private primary schools cater for some 15% of pupils. Around 20% are at present enrolled in private *collèges*.

Method of financing schools: The state funding of private schools has been at the centre of numerous disputes which currently appear to have died down. In the case of public-sector education, the State assumes expenditure relating to all staff in *collèges* and teaching staff in primary schools. Operational and investment expenditure are entrusted to the municipalities in the case of the primary schools and, since 1983, the *départements* in the case of the *collèges*. Private education: since 1959, almost the whole of private education has been funded by the central and local authorities under the same terms as state education as far as operations and staff are concerned.

Education supply and demand: Since 1959, compulsory schooling has started at the age of 6 and ended at the age of 16. At primary level, the school population has been falling (from 4 799 000 pupils in 1970/71 to 3 936 900 in 1996/97), while in the *collèges* enrolment rose until 1995 (from 2 779 200 to 3 223 500 pupils). Strictly defined catchment areas severely limit the choice of state schools available to families.

General economic and political context: The post-1959 changes may be attributed essentially to the impact of external factors (demographic trends, budgetary restrictions) and administrative reforms (decentralization) and not, except in the private education issue, to political factors, now that the main principles seem to have been firmly established and accepted by the majority of political interests. In spite of economic fluctuations, education has remained a priority, and public expenditure has steadily increased throughout the period.

REFORMS	AIMS	CONTEXT
1975: The Haby Reform of 11 July. This reform was noteworthy for introducing the single-stream *collège* at which all those leaving CM2 (the final year of primary school) entered the same stream. These arrangements implied the introduction of supportive forms of teaching and, accordingly, fresh resources.	• Establish equality of opportunity by creating a single stream to cater for an entire age range.	Despite union opposition to an initial proposal presented in 1973, the introduction of the single-stream *collège*, which had been under discussion since 1944, was adopted.
1981: 1 July circular. Creation of the *Zones d'éducation prioritaires* (ZEP, or priority education areas).	• Fight against social inequality through the introduction of positive discrimination in the financing of schools.	A left-wing coalition government took office.

REFORMS	AIMS	CONTEXT
1983-85: The Law of 22 July 1983 and the Law of 25 January 1985. These Laws on decentralization stipulated that municipalities were responsible for primary schools, *départements* for *collèges* and the regions for *lycées*. The text set out the contribution of local authorities to school expenditure. The particular areas concerned were building, rebuilding, extensions, major repairs, fittings and operations, with the exception, however, of expenditure on teaching borne by the central government, for which a list of headings was specified by decree, and expenditure on staff. Under decentralization, responsibility for (primary and secondary, public-sector and contract-regulated private) teaching staff remained with the government. Public-sector non-teaching staff at primary level were to be the responsibility of the municipalities and, at secondary level, of the national authorities. As regards the *collèges*, the *département* assumed full ownership responsibilities, but at existing schools, the former proprietor could retain official ownership. Furthermore, the law attributed to *collèges* the status of 'public establishments' (or, more precisely, 'local public educational establishments'). As such, they enjoyed a measure of autonomy which, in financial matters, meant that they were able (albeit within a very limited context) to seek new sources of funding and use the state resources allocated to them more freely. Finally, the school head thenceforth chaired the administrative board (a responsibility which carried with it rights analogous to those of a company director) and was also the representative of the State.	• Specify how responsibilities were to be shared between the municipalities, the *départements*, the regions and central government; • provide fresh opportunities for action by local authorities in the field of education as part of the principle of the openness of schools to their environment; • restate and consolidate the decision-making powers of municipalities as regards the functioning of primary schools;	Application of these laws from 1985 onwards led to rapid changes in the area of operational expenditure. From 1985, the fall in the central government share was from 95.6% to 91.8% of the total, and it continued to decrease slightly at the start of the 1990s. The local government share rose in inverse proportion. In terms of rate of growth, the increase was spectacular, but the share was still only a modest proportion of the total, given that staff salaries whose costs were borne by central government made up 90% of it. Changes were far more marked with regard to capital expenditure. The laws on decentralization had a determinant influence on the financing of *collèges*. This was reflected in the major share of investment expenditure now borne by the *département*, which became the authority officially responsible from 1988, and by a virtual end to state intervention. However, the municipalities continued to exercise a significant, albeit transitional, role. Following fluctuations while the reform was being introduced, the central government share fell fairly regularly from 1986 to 1991 and was negligible from 1992 onwards. Local authorities thus gradually became virtually the sole funding agencies. From 1983 onwards, the relative share in the funding of public-sector primary education assumed by central government was provisionally increased (from 54.5% in 1982 to 58.8% in 1983) to the benefit of the local authorities. Primarily due to the rise in teacher salaries which was borne by the government, this situation, lasted until the start of the 1990s. Indirectly, decentralization entailed the creation of real state responsibilities at local area level, in which the employment of school staff by the municipalities meant that the latter had to fulfil clearly stated obligations.

REFORMS	AIMS	CONTEXT
As to primary schools, the municipalities were expected to bear the entire financial costs of optional activities, including the remuneration of state personnel who might be available to them. Finally, the Law introduced a special subsidy for *instituteurs* (primary school teachers) paid to municipalities at the same time as the overall operational grant.	• at least partially compensate for the obligation of municipalities to provide their *instituteurs* with free accommodation or, failing that, a fair corresponding allowance.	
1985: Implementation of a specific total workload allocation (in hours) for each secondary school. Teaching staff resources were awarded on the basis of this overall workload that schools apportioned freely, in accordance with fairly broad directives laid down at national level, in order to determine their constituent course workloads, study options and the size of their pupil groups.	• Increase the autonomy of schools by means of a comprehensively global approach to resource allocation.	Prior to 1985, the way staff resources were shared out among state schools was highly centralized. The Ministry allocated fresh resources annually with due regard for set norms and information of a demographic nature received from the *rectorats* (its own regionally-based departments). The result of the 1985 measure involving global resource allocation was that the teaching staff profile of *collèges* came to differ very markedly in a way that reflected the considerable diversity of the economic and social environments of these schools.
1989: 10 July Framework Law on education. This general policy law required the preparation of school plans which defined procedures for the implementation of national aims and curricula, and specified the school and out-of-classroom activities envisaged for this purpose. Such plans could result in various specific forms of funding from the government or local government authorities, over and above the total school allocation. The Law mainly concerned the public sector but, in its article 30, stated that its teaching-related provisions also applied to the contract-regulated private sector.	• Increase the autonomy of *collèges*, and provide a means of combining national policy requirements with adaptation to local circumstances.	The school plans introduced on a general basis by the 1989 law were effectively an acknowledgement of the widely differing nature and circumstances of schools. They embodied the mid-term strategy of schools, and ensured consistency, from the educational standpoint, in their action and use of the various resources they were liable to receive. Consistency in the use of resources was particularly important in that, while providing these various specific forms of funding, the national authorities continued their policy of global resource allocation for schools, above all in the area of staffing. This global approach to resources combined with scope for diversifying them have, together, constituted mechanisms for greater school autonomy.

REFORMS	AIMS	CONTEXT
1992: The so-called 'Lang-Cloupet' Agreements, in June, concerned with the financing of private schools.	• Settle the lingering dispute between Catholic education and the State as regards funding for private education.	Introduced by the 1959 Debré Law, the state financing of private education ran into some opposition from the parties on the left which came to power in 1981. A 1984 draft law provided for a merger of the state and private sectors. In spite of its withdrawal by President Mitterrand following a massive demonstration by the opposition and parents of children in private-sector schools, the government share of funding lagged behind, giving rise to a running dispute which lasted up to 1992. The settlement finally reached involved payment of the accumulated deficit and agreement on the method of calculation to be employed in future.
1994 (1): The January Law abolished the limit imposed on local authorities in financing investment by the private sector of education. It applied to primary and secondary education. Its main provisions were overruled by the Constitutional Council.	• Enable the regions and *départements* to fund the building and fitting out of private-sector secondary schools as already the case in the state sector.	This new law led to street demonstrations by supporters of state schools (January 1994).
1994 (2): New contract for schools. A political statement containing 155 proposals, six of which related to new arrangements for *collèges*, providing in particular for a variety of different course offerings, and the possibility for each *collège* to propose teaching resources adapted to its circumstances. A marked increase in the provision of communications technology facilities in schools was also planned.		The main upshot of the various changes in the organization of secondary education was more diversified school provision, particularly in the *collèges*. This trend caused concern among those who upheld the tradition of the truly republican school, which was meant to guarantee equal rights for all in education so as to promote citizenship and social cohesion. In particular, the general inspectorate, while recognizing improvements in management, feared that the formal adoption of unduly varied school policies might compromise their identity as a vehicle for state provision. Such diversity, which the governing majority considered natural in the case of private schools contractually bound to the Ministry of Education, seemed barely compatible with the fixed catchment areas severely limiting the choice of state schools available to families.

IRELAND

Authorities responsible for schools: The Irish education system takes the form of a partnership between the State and various private partners. Schools are usually private but funded publicly. The State's traditional role is to provide these partners with the ability and resources to offer education and to assist them by creating schools in regions that need them and by developing educational policies. From this standpoint, the State's function in education is to provide the resources rather than the education itself, and to avoid discrimination between schools serving different religious communities. The system is highly centralized and is administered by the Department of Education and Science (the education ministry). Basic education is provided in schools organized at parochial and local level *(national schools)*, which has led to a proliferation of small schools. Secondary education is provided in *voluntary secondary schools*, and in *vocational schools* and *community colleges*. They are primarily subject to the patronage of religious orders. *Vocational Education Committees* (VECs) established in 1930 administer the others. In the 1960s, *comprehensive* and *community schools* were also established. They were primarily the property of the State. In 1996, the *voluntary secondary schools* represented 58% of secondary schools with 60% of enrolments. *Vocational schools* and *community colleges* represented 32% of the total number of secondary schools and 26% of enrolments. The *comprehensive* and *community schools* represented 10% of the total number of secondary schools and 14% of enrolments.

Method of financing schools: The Department of Education and Science allocates primary school teachers on the basis of the number of pupils enrolled and pays their salaries directly out of a central fund. Until January 1999, the *patron* of a primary school (a private body that is often religious and is responsible for the school) had to provide the site and contribute to investment costs (at the rate of 15%).

Resources to cover staff salaries and operational costs are determined on the basis of the number of pupils in all schools. As far as methods for awarding resources were concerned, the historical development of the secondary sector was reflected in the heterogeneity of arrangements for the different types of school, especially with regard to recurrent funding (for operational expenditure and staff salaries).

Education supply and demand: According to the Constitution, parents can choose their children's school freely. Tuition fees for secondary education were abolished in 1967. Special arrangements in the form of a block grant were introduced in 1967 to fund Protestant schools *(voluntary secondary schools)* to ensure fairness and equality of choice in terms of education for both denominations. The same year, resources were introduced to cover transport costs for children who live a certain distance from the nearest school. Schooling has been compulsory between the ages of 6 and 15 since 1972.

Demographic trends have been atypical compared with other European countries (during the last 30 years, the representation of younger age-groups has remained larger than in the rest of Europe given the renewal of demographic growth in the 1960s following the reversal of trends in migration, which occurred despite the significant reduction in the birth rate observed since 1980). This trend had an effect on the demand for training and funding of education. From 1960 to the late 1980s, emphasis was placed on managing growth in the number of pupils by employing additional funds and resources. This growth, along with improvements in the retention rate and the extension of studies, led to a considerable demand for expenditure on education. The current decline in the birth rate has had a different effect.

General economic and political context: Investment in human capital through education has always been considered important in Ireland. This point was emphasized in the second economic development programme of 1963. It provided the foundation for various reforms, such as the structural reform of the secondary education system in 1967. It also underlay the vast programme of joint action involving the various social partners that was implemented between 1992 and 1994. In 1997, the White Paper, *Human Resource Development*, reaffirmed that investment in human capital was an important economic principle underlying education policy. It is a question of meeting the demand for the skills associated with social and economic development.

REFORMS	AIMS	CONTEXT
1975: Establishment of a new method of calculating the size of the grant per pupil (capitation grant) in primary education to cover the various operational expenses (heating, lighting, cleaning, insurance, general upkeep and teaching aids).	• Contribute further to covering school operational expenses.	The new method of calculation replaced a more complex and less generous system consisting of grants earmarked for heating, cleaning and painting. These grants constituted the largest part of state funding to cover daily operational expenses in primary education.
1978: Introduction of resources for clerical assistants in primary schools and *voluntary secondary schools* on the basis of the number of teachers.	• Improve assistance to schools.	The number of religious vocations declined from the mid-1960s to the end of the 1970s. This had consequences for the structure of the teaching staff and funding for the education system. Traditionally, a portion of the salaries of staff from religious communities had been used to fund schools.
1979: Introduction of resources for caretakers in primary schools.		
1980: Introduction of greater funding for teachers in state-recognized all-Irish (language) primary schools.	• Encourage the growth of these schools and acknowledge the special difficulties they faced in recruiting teachers.	State-recognized all-Irish schools also received larger operational grants than did other schools. In addition, the Ministry paid all their expenses for equipment and facilities. This discrimination provoked negative reactions from other schools, which wished to obtain the same benefits.
1984: Establishment of a new method of calculating the size of the grant for *voluntary secondary schools*. The reform introduced a combined per capita grant comprising the existing capitation grant and a supplemental grant in lieu of tuition fees.	• Contribute further to covering school operational expenses.	The system replaced a more complex system whereby payments were based on school attendance.
1990s: Introduction of various schemes for disadvantaged primary and/or secondary schools (Disadvantaged Areas scheme, *Designated Areas* scheme, *Home/School Liaison* scheme, *Breaking the Cycle Initiative*, *Books for Needy Children*, etc.). These schemes provided extra teaching staff or extra per capita payment for operational expenditure.	• Target available resources to educational disadvantage.	After a period of economic recession and budgetary stringency, the country experienced a period of growth and prosperity. Investments in the education sector and the resulting increase in participation rates were presented as having played an important role in attracting foreign investment and promoting economic growth. Conversely, the education system benefited from the effects of this in the form of new investments. Public revenue for the operation of schools remained insufficient. They had to increase their own income (through voluntary contributions from parents, donations from religious orders, low interest loans and renting out school buildings and equipment). A 1991 study revealed that schools were experiencing a serious financial crisis.

REFORMS	AIMS	CONTEXT
1992: Programme for Economic and Social Progress. Revision of the systems (transition to per capita funding) for the allocation of resources for caretaking and administrative assistance at primary level (1978 and 1979 reforms) and for administrative assistance in the *voluntary secondary schools* (1978 reform).	• Improve assistance to schools and increase the number of schools eligible to receive it.	The OECD (1991) was among those to question the high level of centralization in the system. In 1994, the Ministry published a discussion paper on the establishment of regional structures. It became the subject of debate among the various partners concerned with education. The White Paper *Charting our Education Future* was published in 1995. It recognized the anomalies in the funding for school equipment and facilities, a possible remedy being to allocate the same capital grant to all schools. It also incorporated provisions for the introduction of regional structures. Funding would be channelled through education boards and the boards would reallocate resources to the individual schools. With regard to capital funding, ownership of new schools by the boards, which would then lease them to patrons, would remove the anomalies in the funding. Provisions for the introduction of regional structures were incorporated into an education bill in 1997. This bill was not put to a vote, because of a change of government. In 1998, a second education bill being debated in Parliament did not pursue the proposals for the creation of intermediate structures because of a change in policy arising from the change in government.
1995: Local contributions to operational expenditure in primary schools were frozen. (The contributions have traditionally been set at 25% of the capitation grant.) The ceiling was established at IEP10 (EUR 12.70) for each pupil and IEP 9.50 (EUR 12.06) for each disadvantaged pupil.	• Increase public contributions.	
1997: Implementation of a new method of calculating funding for minor work on primary school buildings. The total amount payable was IEP 2 000 (EUR 2 539.48) increased by IEP 9 (EUR 11.43) per pupil. The ceiling for this expenditure was set at IEP 5 000 (EUR 6 348.69), or the equivalent of twice the annual allocation.	• Cover the cost of new facilities and improve those already in use.	With regard to operational expenditure, despite persistent calls to scrap local contributions to primary schools (see the 1995 reform), their abolition has not been considered. Some progress is however being made in the second-level sector. In 1996, the Minister for Education established a steering committee to devise a funding system able to ensure equal treatment for the various secondary schools with regard to their operational expenses. This system did not involve the payment of teachers' salaries, which is determined by national agreements and is the same for teachers across all school types. The report of the committee is being finalized.
1999: The State provides the full cost of the site for all new schools at both primary and second level. Nearly all schools will have their contribution to the cost of new buildings reduced to 5% and their contribution to the costs of renovations, including extensions, reduced to 10%.	• Contribute further to covering school capital expenses.	

ITALY

Authorities responsible for schools: At the beginning of the century, it seemed that primary education had to be dependent on the State, as the municipalities appeared unable to provide effective organization. Very quickly, the topic of state management of primary education brought together almost all political forces in the country (conservatives and leftist liberals, republicans and socialists), experts and, no less significantly, associations of primary school teachers. The clergy remained in opposition to the project although they realized reform was unavoidable. The republican Constitution dating from 1948 guarantees the freedom of education and invests the State with responsibility for establishing schools at all levels so that schooling is available for all young people, irrespective of their social and economic circumstances. The Constitution also upholds the right of local authorities and private individuals to found schools, provided that this is at no cost to the State. A large part of the population believe that offering state schools as the main option has restricted citizens' rights. Their main argument has been that inadequate state support for private schools has limited competition between schools, as well as real freedom of choice for citizens. The confrontation that arose from these arguments, which pitted lay and Catholic political forces against one another, provided the basis for a great many conflicts that obstructed reform of the education system into the 1990s.

Method of financing schools: Given the foregoing constitutional principles, compulsory schooling is free of charge. The financing of public-sector schools is essentially centralized at government level. Municipalities are responsible for investment expenditure. In the 1970s, legislation was introduced to reduce bureaucracy and decentralize some areas of responsibility. In 1974, schools were granted administrative autonomy for expenditure on administrative and teaching activity. In 1977, responsibilities for the *assistenza scolastica* carried out in accordance with regional legislation were decentralized to the municipalities.

Education supply and demand: Until the mid-1970s, the school system was expanding in the wake of demographic growth, improvements in the country's general conditions, economic development, increases in revenue and important structural reforms, such as the introduction of comprehensive secondary education and compulsory schooling up to the age of 14. The administration reacted by employing a very large number of teachers and continued to do so even when the first signs of a decline in the school population became evident. This recruitment policy was dictated by demands associated with the desire to improve the quality of the service offered, and by problems of a social nature (relieving of social tension by absorbing a large proportion of the unemployed).

General economic and political context: High graduate unemployment in the context of a more general employment crisis. In the 1990s, economic policy concentrated on stabilizing public finances. The 'Second Republic' was approved under a new electoral system in which political forces essentially formed themselves into two main opposing groups. Centre-Left governments imparted political continuity to the task of stabilizing and developing the country.

REFORMS	AIMS	CONTEXT
1974: The *decreti delegati* presidential decree which: a) created or transformed elected bodies representing various school interests at national, regional or local levels, and determined their membership and responsibilities; b) granted administrative autonomy to schools for expenditure on administrative and educational activities, which was now to be managed by the school councils; c) regulated the scope of autonomy, and laid down the procedures for administration of budgetary funding.	• Increase participation in the administration of schools capable of inducing new forms of responsibility towards users; • establish a real partnership between schools and parents (collaboration between schools and families, leading in certain areas to joint management by schools and families, or by schools, families and pupils); • replace the prevailing bureaucracy with elected mixed membership bodies.	The creation of mixed membership bodies was intended as a response to a variety of demands and diffuse tensions observed in the country between the late 1960s and early 1970s. Student movements and important representative groups in society, such as families and workers organized locally in neighbourhood committees, became actively mobilized to secure in particular greater participation in decision-making and management. Within the school, this mobilization echoed the vast debate initiated in the early 1960s concerning the right to education, following the reform of secondary education and the creation of comprehensive secondary education. By reflecting the wishes of the various interests involved in school management, the innovations contained in the *decreti delegati* represented an important stage in the decentralization of the school system which has been implemented in the very recent measures of 1997, 1998 and 1999. Certain provisions in the *decreti delegati* indeed led schools and their elected representative bodies to work under very restrictive circumstances, especially as far as the distribution and use of resources were concerned. In the end, these restrictions represented a barrier to initiative in schools, and aroused increasing opposition.
1977: Responsibilities for *assistenza scolastica* to the regions which had ordinary status and to the municipalities.	• Decentralize the *assistenza scolastica* system.	The transfer of central government responsibilities to the regions and local authorities was part of the initial stage of decentralization which involved exercising powers invested by the Constitution in the regions. The first transfer of responsibilities towards the regions in the area of school buildings and school assistance occurred in 1972. The law of 1977 stated that school assistance was managed by the municipalities in accordance with regional legislation
1982: Law that regulated staff recruitment on the basis of statutory provisions.	• Reduce the number of teaching positions subject to limited terms of service.	The law effectively reduced the number of teaching positions for limited terms of service but was unable to block the creation of other similar positions, and further laws became necessary.
1988: Statutory order that established criteria to determine which schools were undersized, leading to the closure, merger or clustering of schools at the same level and stage of education.	• Restructure schools so as to adjust their size progressively; • rationalize educational expenditure.	One of the consequences of a policy aimed at absorbing unemployment was a marked increase in expenditure on staff. This represented an increasingly large proportion of total educational expenditure although there was no qualitative improvement in the education provided. The continued decline in population and the low rate of teacher retirement (given the many young teachers) made budget deficits inevitable. As a result, undersized schools had to be closed. The proportion of public expenditure on education decreased constantly from 1980 to 1995, a trend that reflected pressure from the public debt.

REFORMS	AIMS	CONTEXT
1991: Law that authorized the Minister of Education to draw up a multiannual plan establishing reference criteria at national level and in a differentiated way for each province, so that the number of pupils in each class and at each stage of education could be determined.	• Rationalize expenditure on teaching staff; • progressively reduce the number of replacement staff and the replacement of appointed teachers who leave their jobs (through resignation or retirement, or under other circumstances).	The early years of the 1990s were characterized by a growing social tendency to favour acceptable normal practice rather than the letter of the law, effectiveness rather than formal attention to duty, and transparency and involvement rather than anonymity and lack of decision-making responsibility. The administration had to become fully effective by structuring its services not in a nominally standard way but by considering the needs of end-users. Another demand was that the cost-benefit ratio of public services should be compared by representing each 'unit' of public administration as a self-contained centre of expenditure, and evaluated in accordance with particular aims. In 1990, the reform of primary education was completed. However, other major reforms did not meet the requirements for full implementation (including the reform of secondary education, the *maturità* examination and the extension of compulsory schooling).
1993 (1): Legislative decree that restructured regulations on the use of staff, vocational rehabilitation and staff mobility. The parameters determining the number of teachers corresponding to the 'supplementary organic allocation' were revised.	• Improve the use of school staff; • rationalize expenditure on teaching staff; • reduce surplus staff.	Social pressure for more effective administration led to a series of provisions, among which may be cited the 1993 decree on rationalizing the organization of public administration. The emphasis was on aims rather than procedures. The decree established the principle of compatibility between expenditure on staff and the limits fixed by the budget. It granted substantial autonomy to those responsible for running public administration in terms of leadership, control and evaluation, as well as the management of financial resources.
1993 (2): Measures concerning staff strength. From 1994/95, the way this was determined annually took account of planned retirements and the real operational requirements of classes to be established in line with formal procedures for calculating the number of pupils per class. The maximum number of staff that could be recruited depended on the number of vacant posts not planned for abolition during the following school year.	• Rationalize expenditure on teaching staff; • reduce surplus staff.	The measure was part of an integrated action plan geared to more rational distribution of schools throughout the country, as well as improved management and use of professional resources (see 1991, 1993 (1) and 1993 (2)).

REFORMS	AIMS	CONTEXT
1993 (3): Initial regulations on school autonomy. The law granted legal status to all schools, along with autonomy in administrative, financial and educational matters, as well as research and development. The law did not come into effect, because the implementing legislative ordinances required were not issued.	• Grant autonomy to schools in administrative and educational matters, as well as some financial aspects; • increase school decision-making power and responsibilities.	The 1993 law was a first attempt to reform the system so that schools would be granted autonomy in the areas of administrative activity and educational provision. Underlying this law was the debate on delays and malfunctioning in the school system. People became aware of the difficulty of managing a school system that had reached a size far beyond that of when it was first placed under centralized organization. The organization of two electoral ballots and preparation of two government campaigns were among the reasons why this measure was not implemented immediately. The 1993 legislation nevertheless created a precedent which precluded any move to put the clock back in this area (with the exception of differences in policy and content), and was finally introduced in 1997.
1995 (1): Each school had to draft a charter outlining the education services it provided, indicating the courses it offered and its professional, material and logistical resources. It also had to use this charter to define the quality standards it undertook to respect. It was a vehicle for broadcasting the 'quality culture' in educational provision.	• Continue the process of improving the quality of public services and making them more responsible.	1994 was the year of the 'public services charter'. The Minister for Public Administration was determined to ensure that citizens came first in the provision of administrative services and free them from their role as its passive recipients. Each service provider had to draw up its own charter of services. The school services charter was meant to ensure that the educational services model offered users was transparent and accountable. As a result, it called for a strict watch to be kept on consistency between what was proclaimed and what was achieved in terms of both effective administration and educational provision.
1995 (2): Collective national work contract for teaching staff that reduced the rate of seniority-linked salary increases, and introduced new forms of additional remuneration more closely related to the provision of supplementary activities in the school plan, which was part of the school services charter. A special fund was created for this purpose, with financing dependent on the number of pupils.	• Recognize and reward professionalism; • recognize the effective contribution of staff in the sector, in order to improve the quality of work and services; • adjust salaries in accordance with the in-service training completed by teachers.	A first contract was agreed, under the new negotiating model, between the Agency for the Representation of Public Services and the trade union confederations and sectorial trade union organizations. Limiting expenditure and rationalizing resources are aims that have been a consistent feature of recent years. These characteristics were also the consequence of a declining Welfare State and the application of private business logic to sectors formerly protected by the State. Changes in the contracts offered to school staff followed this logic, although they displayed some novel features. Professional recognition and retraining, and the creation of a closer link between remuneration and the quality of work have been the positive side of the ongoing policy for reform. Limitation of expenditure has also prevailed under the reform, as was particularly noticeable in the period from 1994 to 1997.

REFORMS	AIMS	CONTEXT
1996 (1): A pact for work was approved by the government and social partners. This agreement obliged the government, amongst other things, to implement the overall reform of the school system and vocational training in accordance with a strategy geared to integrating education, training and work along the lines set out by the European Union for 'lifelong learning'.	• Continue to integrate arrangements for education, training and work, by means of a modular structure and a training credit system; • extend compulsory education up to the age of 16, and the right to education up to the age of 18.	After years of sluggishness, changes in the social and political context were among the factors making it possible to follow the path of reform. The governing coalition brought together groups that, up to a few years previously, had been opposed to each other. This radical change lay the foundations for improved government supported by a programme with clear priorities (involvement in Europe, a 'lightweight State', stabilizing of public expenditure, etc.). This brought relative stability to the country itself. The aim was to delegate to schools the management and administration of educational matters, which had until then been the almost exclusive responsibility of central government, while formally recognizing the 'public service' offered by private schools, given the reformed role of the State.
1996 (2): Law on measures relating to public finances. The number of primary school staff was fixed in accordance with variables, such as the number of pupils and school size (composition of classes).	• Redefine the criteria for assigning teachers to primary schools.	The law altered the criteria for determining the number of teaching staff posts, which had been introduced by the 1990 primary school reform and were based essentially on the number of classes. The new provisions sought to comply with requirements in terms of professional human resources, while taking account of quantitative and qualitative variables.
1997 (1): Law which, as far as education was concerned, introduced the gradual decentralization to schools of responsibility for the management of teaching. a. Schools acquired legal status, along with autonomy as regards administration, educational matters, research and development. The law applied to all schools that complied with the criteria regarding size. b. A global grant (comprising an ordinary and compensatory payment) was awarded without any obligation other than that it be used primarily to carry out educational activities. The law did not refer explicitly to financial autonomy in the sense that schools could levy taxes or seek their own sources of funding.	• Enforce school autonomy; • provide for different ways of achieving the aims of the national education system; • enable schools to respond more flexibly and effectively to the requirements of pupils; • strengthen the link binding each school to its social context; • broaden educational provision; • make schools more responsible for their performance; • give schools greater autonomy in managing their grant allocation.	Implementation of general principles in the ruling coalition's basic programme with regard to rationalization of public services. Under the legislative provision relating to administrative decentralization, parliament revived the idea of school autonomy in a fresh attempt to achieve the reform of the school system announced in 1993 (see 1993 (3) above). Under the law, schools could be granted autonomy in the areas of both administration and educational provision once they had reached a certain size. Autonomy in the area of provision enabled schools, amongst other things, to offer extra optional training courses to meet the demand for more distinctive patterns of training geared to individual needs, as well as specific local requirements. Organizational autonomy resulted in greater flexibility vis-à-vis school time and ways of organizing pupils into groups for some of their activities. The full completion of the reform process is scheduled for the 2000/2001 school year. Reform of the Ministry of Education is also planned. School administrative authorities are having to refocus their structures and activities on responsibility for coordinating the various areas of autonomy so that, by using techniques of adjustment, control and resource allocation, autonomy becomes an integral concept yielding broadly uniform results.

REFORMS	AIMS	CONTEXT
1997 (2): Institution of a fund for the enrichment and broadening of educational provision, and for compensatory initiatives.	• Finance experiments for school autonomy; • raise school standards and attainment rates.	The fund gave priority to support for schemes concerned with educational and administrative matters, which were the areas of autonomy granted by the 1997 decree. Other priority action areas for the fund included introducing the teaching of a second foreign language into lower secondary schools, training and retraining initiatives intended to promote the 'culture of autonomy', and financial coverage for national initiatives supported also by the EU Structural Funds.
1998 (1): Decree (for enforcement of the 1997 law) which granted the formal title of *dirigente scolastico* to school heads.	• Broaden the responsibilities of school heads.	Conferral of the title of *dirigente scolastico* represented an important change in establishing a more direct relation between the responsibilities of school heads and the achievement of results.
1998 (2): Law which decentralized the responsibilities and administrative duties of central government to the regions and local authorities. Delegation of responsibilities to the regions was to become operational from the second school year after the date at which the reform of the Ministry of Education took effect. By contrast, delegation of responsibilities to the local authorities took effect immediately.	• Pursue the reform of bureaucratic administration	The central government continued to set the criteria governing the way the school system was organized and to evaluate it. It also still fixed and allocated staff to schools, as well as those financial resources included in the state budget. The regions assumed responsibility for the planning of educational provision within their area, drawing up the school timetable and support to private schools, etc. At primary and lower secondary level, municipalities became responsible for setting up or closing schools, the way the school system was organized, support for pupils with special needs, and plans for the use of buildings and other facilities.
1998 (3): Regulations relating to optimal school size and establishment of the operational staff strength of individual schools (decree for enforcement of the 1997 law, item b.). The model governing operational staff strength no longer allocated human resources on the basis of the number of classes, but in accordance with the circumstances and requirements of the school environment concerned.	• Ensure that schools were stable enough to prepare a project; • supply the necessary resources for rich and varied educational provision; • give schools what they needed to negotiate with local authorities and other interests, along with fairly allocated and better targeted professional resources.	It was very clear from the decree that rationalization and autonomy went hand in hand. To impart a specific dimension to schools was to offer a range of varied options to local communities, ensure the optimal use of human and material resources, ensure also that schools acquired a certain stability with time, and that their voice carried greater weight in discussions and negotiations with local bodies and institutions active in the area concerned. The flexible use of resources enabled schools to undertake projects in a way that the allocation of predetermined budgets did not. At the same time, it was accepted in a way not initially envisaged that schools might acquire further resources from public and private bodies to carry out specific projects (in particular, for optional or further courses), without having to request permission to do so.

REFORMS	AIMS	CONTEXT
1999 (1): Provisions to extend the period of compulsory schooling from eight to nine, and then ten years, with compulsory training up to the age of 18 in a centre for professional training or an apprenticeship. Enrolment and attendance during the years of compulsory education or training were free of charge, and part of the basic education that the State should offer all citizens.	• Initiate the concept of a period of training in principle the same for everyone; • reduce school dropout, and ensure that young people had a formal qualification corresponding to the needs of the labour market; • bring the duration of schooling into line with that of other European countries.	The extension of compulsory schooling marked an important stage in the reform process. Achieivng it had been delayed several times, by difficulty in resolving the relation between school and vocational training which was a regional responsibility. The extension of compulsory schooling was also part of the more general attempt to reorganize education in such a way that the education and vocational training systems would be two interrelated components of a single national system of provision. The 1999 law on the extension of the period of compulsory schooling up to the age of 18 is being followed in 2000 by a framework law to reorganize the stages of schooling. This will seek to abolish the distinctions between primary, lower secondary and upper secondary school by introducing just two stages of education. The first, to be known as 'basic education', is to last seven years for pupils aged between 6 and 13. The second, the so-called secondary stage will last five years for pupils aged between 14 and 18. The latter will consist of a first two-year stage in which schooling continues to be compulsory, and then a second three-year stage with just four main branches of study, namely the classical/humanist branch, the scientific branch, the technical/technological branch and the artistic/musical branch. Pupils at the end of compulsory schooling who do not continue with one of these three final years of secondary education will have to undertake training, either in a vocational training centre, or as apprentices until they are aged 18. These new arrangements are planned to come into force in 2001/2002. The minister has to present a five-year plan for the gradual implementation of these new stages of education to parliament. Amongst other things, the plan has to contain general criteria for the reorganization of basic and secondary education curricula.
1999 (2): Regulation relating to autonomy in administration and educational provision (decree for enforcement of the 1997 law, item a.). The regulation stated that a 'plan for educational provision' should be developed by schools instead of a 'school plan', in which schools set out their curriculum, and their curricular and extra-curricular activities.	• Enable schools to draw up part of the curriculum, and make study proposals more flexible; • encourage more diversified educational provision, in accordance with local requirements; • ensure that the various options regarding educational provision and administration were formally stated and fully transparent.	By making use of their new areas of decision-making, schools were able to adapt as necessary to respond more effectively to the requirements of families and local opportunities for action. So as to encourage cooperation and communication between schools, it was stipulated that they should organize themselves into networks to achieve aims of common interest. The idea was that, instead of being geared to work solely in accordance with their curricula, schools should become prepared to achieve objectives. In the same year, a decree established the National Institute for Evaluation of the Education System, which was responsible for assessing the effectiveness of the system and studying the causes of school dropout. The aim was to abandon the until then dominant notion of self-assessment in favour of one of external evaluation by conducting national evaluation with respect to international norms.

REFORMS	AIMS	CONTEXT
1999 (3): National collective work contract for educational staff which revised basic salaries, and stipulated that some of the savings achieved through cutting back on staff would be redirected into school initiatives and activities developed as a result of school autonomy. The contract also introduced measures to encourage projects in schools situated in vulnerable areas.	• Draw up and encourage a new system of in-service staff training; • remunerate work by teachers involved in educational projects aimed at preventing school dropout and signs of pupil maladjustment liable to fuel delinquency.	The ongoing reform and the innovations introduced in the sector had a telling effect on the work contract. After a long period of reductions in expenditure and cutting back on resources, the contract marked the first stage in a reversal of the tendency, and removed differences between the remuneration of staff in education and other public sector categories. In addition, the contract included major amendments regarding the in-service training of staff and specific additional remuneration for acceptance of certain responsibilities. Yet a further provision was that professional experience acquired by staff should also be financially rewarded.
1999 (4): Decree on the totally or partially free provision of school books, which already occurred at primary level and was extended to lower secondary level.	• Extend the notion of education free of charge to services that were an essential accompaniment to it.	Service free of charge was the tactic used by the public authorities to ensure that citizens effectively exercised their entitlement to appropriate educational provision. This was especially significant in the case of pupils who were financially insecure.
2000 (1): Law on the *parità scolastica* ('equivalence of schools') and provisions regarding the right to study. This law has acknowledged the value of private sector education and training initiatives which has placed them on the same footing as public-sector provision, in so far as they largely correspond to the demand for training and the general organization of the system. The State thus recognizes training institutions that comply with specific standards of quality and achievement, and authorizes them to award legally recognized qualifications.	• Resolve the issue of equality between state and non-state educational institutions within the framework of an integrated national education system; • overcome the problems of parental choice between government-controlled schools and 'equivalent schools'; • adopt a scheme to finance pupils attending government-controlled schools and 'equivalent schools', so as to enable the choice of school to be as far as possible unaffected by material considerations.	This law has introduced a national education system involving government-controlled schools, equivalent private schools and schools administered by local authorities. It has met with a favourable response from a very large section of the political establishment. In some quarters, it has been described as a historical event which finally implements Article 33 of the Constitution, stating that pupils at private schools are entitled to the same treatment as those in the public sector. Objections have been articulated by those who fear that the proposed formula justifies (direct or indirect) public-sector support for recognized private (Catholic or lay) schools, thereby withdrawing resources from state schools which have already suffered deprivation in recent years, as a result of restructuring and reduced expenditure. In answer to these fears, the Minister has emphasized that state and non-state schools are not identical. The Constitution grants primacy to the former. The State has to establish public-sector schools which are open to all, and remain the foundation of the entire system.

REFORMS	AIMS	CONTEXT
2000 (2): Reform law of the Ministry for Public Education.	• Adapt the structures and activities of the administration to the new education system based on school autonomy; • Ensure that the nature and consequences of autonomy are broadly uniform.	At central level, the new structure will be concerned with guiding, coordinating and planning the education system. The school regional offices, for their part, will have the task of supporting autonomous school institutions and will exercise responsibilities previously assumed by the Ministry which have not been transferred to the schools. They include, amongst other things, the allocation of financial resources and staff.

LUXEMBOURG

Authorities responsible for schools: The government has exclusive responsibility for the provision of primary and secondary education (timetables, curricula, etc.). Municipalities carry out the routine management of primary schools. At secondary level, the task is shared by the schools themselves and the Ministry of Education.

Education supply and demand: Since 1912, compulsory education has lasted nine years. Parents have to register their child(ren) in the primary school closest to where they live. The choice of secondary school is unrestricted.

General economic and political context: Economic and political stability.

REFORMS	AIMS	CONTEXT
1990: Reform of school plans, enabling secondary schools to submit plans to the Ministry for which they received funds that they manage autonomously	• Increase school autonomy.	

THE NETHERLANDS

Authorities responsible for schools: One of the system's basic principles is freedom of education, by which is meant the freedom to establish a school and organize the education provided in it. As a consequence of this constitutional principle, schools differ in ideological and denominational terms. Education is the hard core of a phenomenon known as *verzuilling* that separates society into four social and political blocs (Protestants, Roman Catholics, socialists and liberals), and affects different sectors of social life. These four groups have struggled to achieve equal access to education in what has been called the 'school war'. Protestants and Catholics argued that they paid for education twice over: first, in the fees charged by private schools, and then in taxes used to fund state schools. In 1917, the four blocs reached an agreement, known as the 'Pacification', guaranteeing that private schools would be funded in the same way as state schools, as long as they met certain legal conditions. Since then, the number of private schools has increased considerably.

Method of financing schools: Since 1917, the same principles have been applied to the funding of all schools, whether public or private. Up to 1993, schools received a grant, the amount of which was based on their situation in previous years, but the State only reimbursed actual expenditure. Municipalities or authorities responsible for private education paid teachers and were fully reimbursed by the State. Municipalities could also fund additional positions with their own funds, on condition that they treated both public and private schools in the same way. Municipalities paid the operating costs of private and public primary schools and received a grant from the State through the Municipal Fund, in accordance with the number of pupils and classes. Secondary schools received a standard grant based on state school costs for each child and class. Municipalities paid capital expenditure for which they received a standard grant based on the number of classes, type of building and year of construction.

Education supply and demand: Since 1969, the period of compulsory schooling has lasted 12 years (between the ages of 5 and 16). Between 1975 and 1985, the considerable decrease in the population of primary school age led to a decrease in the number of pupils. The fall in the population of secondary school age was not nearly as marked. From 1975 onwards, the notions of basic education, preparation for the labour market, equal access and adult education began to prevail over ideological and denominational differences. Parents and pupils became increasingly interested in educational questions, and parents were free to choose their children's school.

General economic and political context: The 1950s, 1960s and 1970s were prosperous years. The oil crisis of 1973 gave rise to a period of reduced economic growth. State investment in the economy (based on Keynesian principles) was unable to forestall increases in the rates of inflation and unemployment. The second petrol crisis in 1979 also reduced economic growth, but without such a great increase in the rate of inflation. The economic recession continued during the 1980s but, on this occasion, the government did not use public investment to counter it. In 1978, the decision was taken to reduce the state budget deficit, and stabilize taxation rates to create a climate favourable to industry and combat unemployment. In 1982, the government sought to reinforce the market sector by controlling government expenditure and increasing the flexibility of the labour market.

REFORMS	AIMS	CONTEXT
1981: The Ministry had to approve all initiatives involving construction, extension or renovation.	• Rationalize the use of school buildings and limit their extension.	The number of schools planning for new buildings, especially in new housing districts, increased considerably, while the number of pupils fell.
1983: The central government now allocated the staffing funds directly to the municipalities instead of through the Municipal Fund.	• Establish a direct relationship between the central government and municipal authorities.	Most municipalities complained that the State allocated insufficient amounts to cover school operational expenditure, given the real costs entailed.
1985: The *Londo* system for operational expenditure was introduced into primary education by a decree on finance included in the law on primary education (WBO). Schools were free to spend more or less than the grants received from the State on the basis of standard educational costs. They received instructions to limit cleaning costs, and a planning model to enable them to distribute the annual grant as effectively as possible.	• Grant schools a high degree of involvement in expenditure on equipment in order to improve cost- effectiveness; • reduce costs through a shared acquisition policy for all schools coordinated at municipal level.	In 1974, a working committee developed a new funding system to respond to complaints from municipalities about the funding of school operational expenditure. It recommended grant arrangements based on very specific criteria to replace the reimbursement system. The Minister of Finance had been trying to diminish operational expenditure for several years, and imposed budget neutrality on implementation of the new method of funding. In 1985, the law (WBO) restructured primary and pre-school education.
1987/88: Administration of the 55 state schools was transferred from the central government to municipal authorities.	• Decentralize responsibilities from the State to the municipalities.	In the 1980s, the social climate became more 'businesslike'. Long-term ideals gave way to short-term solutions. This development was linked to the social and economic problems facing most industrialized countries. Emphasis was placed on cost-effectiveness and the concomitant decentralization and privatization of government activities. It was thought that organizations and individuals operating more autonomously could improve the cost/benefit ratio, and that it was thus necessary to decentralize, deregulate and reduce the number of specific grants. The number of schools planning for new construction continued to increase, although the number of pupils decreased, as did the size of secondary school classes. In 1989, vocational schools became responsible for their own school buildings. During the second half of the 1980s, the economy grew.
1987: Plan to decrease the number of secondary schools which fell from 2000 to some 800 in 1995. Increased attention was paid to the number of pupils in calculating funding, while the non-variable factors decreased.	• Increase the size of secondary schools to make them stronger, more effective and better able to function autonomously; • reduce operating costs.	

REFORMS	AIMS	CONTEXT
1992: The *Formatiebudgetsysteem*, FBS, a new budgetary method to finance staffing was introduced. Schools received a budget for staff in the form of 'units of account' determined on the basis of legal norms and criteria, and representing hours equivalent to a particular number of full-time positions. The Replacement Staff Fund was established to cover the costs incurred by schools in replacing staff absent through ill-health. Schools contributed to this fund, in accordance with their declared number of replacements. They thus assumed a share of the financial risk. The Participation Fund was set up to cover school redundancy payments in cases where dismissal was justified. Where it was not, schools themselves bore the costs. Schools received a grant to pay their contributions to this fund. The Emergency Fund was created to help schools with serious staffing problems.	• Provide an intermediate stage leading to lump sum funding; • deregulate, and increase school administrative autonomy and responsibility; • enable the Ministry to forecast expenditure on staff, and put an end to annual shortfalls in the education budget; • simplify the system; • reduce the cost of replacing staff as far as possible; • lower the school contribution to redundancy payments (known as *wachtgeld-uitgaven*); • organize payments corresponding to specific circumstances, in order to make schools more responsible, while limiting expenditure on education.	Previously, the government had sought to limit staff-related expenditure by means of complex regulations that failed to solve school problems. The FBS was the outcome of intense parliamentary debate and a number of policy papers. One such paper, in 1985, entitled *Minder regels, meer ruimte* (Fewer Regulations and More Autonomy), indicated that a strongly centralized strategy was not effective, and that schools were in a better position to run their own affairs. In 1988, the policy paper *De school op weg naar 2000* (Schools on the Way to 2000) set out a new strategy for primary and secondary education designed to promote the autonomy of schools, so that they might respond rapidly to changes in society and new educational requirements. The document suggested the possible introduction of a lump sum method of funding. In 1988, *Hoofdlijnenenotitie Formatiebudgetsysteem* severely criticized the reimbursement arrangements in force for creating insoluble problems. The 1990s witnessed a slackening in economic growth. Then, from 1992 onwards, steps were taken to improve the structure of the economy. More specifically, the government sought to reduce expenditure on social security which, until then, had been steadily rising. During the 1990s, the desire for freedom, personal independence and privatization continued to develop, along with businesslike attitudes. In 1991, a measure to integrate children with special needs into normal schooling was introduced (the 'going to school together' project began in 1994). It was agreed that facilities in regular schools should be extended so that they could cater for children with special needs.
1993: Adoption of a method, known as *Bekostigingsstelsel Materieel* (BSM), for calculating operational expenditure in secondary education. It was similar to the *Longo* method used in primary schools, working with three factors, namely a fixed amount, an amount per square metre, and an amount for each pupil.	• Increase the autonomy of schools, by giving them the freedom to decide how to distribute resources.	In 1989, a committee known as *Normeringscommissie* developed a new funding system designed to match the available budget. As increased government investment was required, the measure was postponed. A fresh proposal for it was tabled in parliament in 1990 when its essential provisions were accepted, leading to introduction of the BSM, in anticipation of the future implementation of a lump sum funding method.

REFORMS	AIMS	CONTEXT
1993-94: The *Toerusting en Bereikbaarheid* operation established that the founding or closure of schools would hinge on a fixed minimum number of pupils. Schools were to share the savings achieved as a result of the initiative.	• Increase the size of primary schools by encouraging schools to cooperate and merge; • reduce the costs incurred through having a large number of small schools.	Various measures to halt the decrease in the size of primary schools due to the falling birth rate had until then come to nothing. Small school size was regarded as hindering greater autonomy at this level of education.
1994: The role of the municipalities was extended. They could adopt regulations governing the financial equality of public and private schools.	• Attempt to eliminate the unsatisfactory effects of financial equality among schools, and the associated regulations.	Before the new law, if a public-sector school received a sum of money (for example to fix some broken windows), the private (mainly denominational) schools had to receive a similar amount, which led to them becoming richer than those in the public sector. Municipalities therefore acquired greater discretion in covering extra costs for some schools, but not for others if they were not needed.
1995: The *Wet Gemeentelijk Onderwijsachterstandsbeleid*, a law on municipal policy for compensating schools at which 75% or more of pupils were from socially disadvantaged backgrounds.	• Provide a legal basis for funding and evaluating school and municipal activity to combat educational problems confronting specific groups of (non-native) pupils.	1992-94: Intensive consultations focusing on the quality of education and school autonomy (known as *Het Schevenings Beraad*) raised several issues. The government formed in 1994 wished to improve the quality of education. The context of economic recovery made possible fresh investment in education.
1996: 'Lump sum funding' system for secondary schools based on criteria such as the number of pupils. Distinctions between the staffing budget and the budget for operational expenditure were eliminated.	• Reduce the management costs for the State; • improve cost forecasting for the government; make the financial circumstances of schools easier to forecast; • increase the autonomy of schools, enabling them to use their resources earmarked for equipment to employ staff and, secondly, their ability to respond to changes in the environment; • deregulate, and create better opportunities for schools to operate efficiently.	Schools had to produce an annual guide to help parents and pupils choose a school, along with a four-year plan for the government. Both documents had to be approved at central level. Several possible ways of strengthening the role of municipalities were also submitted, as well as the proposal for the lump sum funding of equipment and staff. This funding procedure was implemented in higher education and vocational training at the end of the 1980s. In 1995, the memorandum entitled *Local Education Policy*, which supported the position of the municipalities, was circulated. Strong growth in world markets in 1994 triggered an economic expansion, which was to be of particular benefit to the Dutch economy. The government formed in 1994 introduced a market-oriented approach into public policy to improve cost-effectiveness and make for greater individual responsibility.

REFORMS	AIMS	CONTEXT
1996-97: Additional investments to make assistant teachers available for primary classes with large numbers of children.	• Increase quality to ensure equal access, and keep young people in the system until they obtained a qualification geared to employment.	The principle of solidarity expressed via the social security system was gradually replaced by the principle of personal responsibility. In primary and secondary education, it was stressed that parents should participate more in extra-curricular activities, or contribute to additional school equipment or materials.
1997 (1): A reduction in the size of primary classes by increasing the number of staff.	• Decentralize responsibilities from the central government to the municipalities.	
1997 (2): Municipal authorities received full control of budgets intended to fight school dropout (including those for counselling, priority education areas and Dutch as a second language).	• Rationalize the use of school buildings; • decentralize state responsibilities to the municipalities.	
1997 (3): Decentralization of management of government buildings to the municipal authorities.		
1997 (4): Simplification of the *Londo* system used for primary schools since 1985. Calculations were based on the number of pupils and classes. Abolition of claims for back payments. Grants were available for certain activities associated with the teaching of Dutch at school, or teaching in the native language.	• Deregulate and increase school autonomy; • simplify funding; • increase the transparency of grant procedures.	Evaluations of the *Londo* system in 1990 and 1993 demonstrated that its implementation had been more expensive than anticipated. Schools judged it positively although it was perceived as very economical, rather detailed and time-consuming. Criticisms included a lack of transparency attributable to the possibility of back payments to schools by the State.
1997 (5): Additional assistance to schools which consisted of 10 or more formerly separate schools, as well as primary schools with over 2000 pupils, or the equivalent of 80 full-time teachers, for a period of four years.	• Increase the size of primary schools; • stabilize the administration of schools with a view to introducing the block grant method of funding.	The lump sum funding method was not adopted for primary schools, because it was feared that their size would prevent them from handling staff management problems.

AUSTRIA

Authorities responsible for schools: According to the Austrian Constitution, education is the responsibility of the State. While legislation in matters of education is mainly the business of the *Bund* (federation), administration and funding are divided between the federation, the *Länder* (provinces), and the *Gemeinden* (municipalities). The *Gemeinden* are in charge of constructing, equipping and maintaining schools providing compulsory education. However, the provinces provide their teachers. Teachers and other categories of school staff may be accorded civil servant status. The development of an education system guided and promoted by the State dates back to the period of Enlightened Absolutism in the late 18th century. Schools were considered an instrument of social reform in the hands of a ruling, enlightened elite. This centralist view was reinforced at the beginning of the 19th century by conservatives who thought of education as a means of preserving the *status quo*. This was made easier by the absence, during the second half of the 19th century, of a true liberal movement promoting the values of individualism and a civil society. The 20th century has been characterized by major political confrontations between conservatives and social democrats. Although they advocated opposing political and ideological platforms, these two highly contrasted perspectives both supported a state-centred and paternalistic educational model, as they expected this kind of structure to allow them to realize their social plans. As regards education, the two main camps have agreed that it should not only be funded by the State, but provided by it too. The concept of a strongly regulated system has not therefore been a source of friction.

Method of financing schools: Schools are funded out of taxes and administered by the State. The State determines the allocation of resources, and the expenditure required. The provinces pay and employ teachers in compulsory education. They are reimbursed by the federation. Repayment of the salaries of teachers is total in general compulsory education and stands at 50% in compulsory vocational training.

Education supply and demand: Demographic growth occurred from the late 1980s until the mid-1990s. Education has been compulsory between the ages of 6 and 15 since 1962. Only 6% of pupils are enrolled in private schools.

General economic context: Keynesian policies were predominant during the 1970s. The political situation has been relatively stable since the Second World War. Up to the 1980s, the two principal political forces – conservatives and social democrats – together made up more than 90% of the electorate. This stability has made it possible to avoid social conflict.

REFORMS	AIMS	CONTEXT
Late 1970s: Agreement reached between federal and provincial authorities on the joint creation of guidelines to be used in allocating established budget items. These guidelines were to take into account the number of schools, the number of classes and certain special payments.	• Control expenditure on teaching staff.	In the early 1970s, there were no formal mechanisms. The federal government simply paid what the provinces required. The assumption was that interests at all state levels (federal, provincial, municipal) were devoted to the public good and acted responsibly. Conflicting interests between the different levels were not a big issue at that time. In the mid-1970s, demographic decline and a growth in the number of teachers available disrupted the balance between the pupil population and teaching staff so that a readjustment became necessary.

REFORMS	AIMS	CONTEXT
1989: New agreement between federal and provincial authorities which authorized the former to control a limited number of indicators relating to the financial administration of staff, in order to verify whether the provinces were respecting the mutually defined guidelines.	• Control expenditure on teaching staff.	A change in the government coalition occurred in 1986. The new government prepared a first round of fiscal consolidation. It undertook to reduce the federal budget deficit of 4% of GNP to 2.5% in 1992. Educational policy was characterized by a growing controversy over funding. Members of the education community increasingly felt that the public authorities neglected and provided insufficient funding for the education system. In the first years of fiscal consolidation, cuts in the federal budget for education were not yet drastic. Authorities at all levels (federal, provincial, municipal) were able to cope with these cuts within their discretionary power (without requiring special legal and/or administrative changes). For example, fewer young teachers were employed and less money was provided for special reforms.
1994-96: Zero salary growth in 1996 and 1997 for civil servants (including teachers); zero growth in various budget allocations, irrespective of the growth in the school population; reductions in compensated overtime; parallel classes were merged to achieve the maximum class size provided for by law.	• Reorganize public finances and meet the Maastricht convergence criteria; • reduce the cost engendered by the total wages bill.	In the wake of favourable economic developments, the policy for economic recovery initiated in 1986 had positive consequences up to 1991, without giving rise to serious political tensions. The policy did not take the form of drastic cuts in the education budget, but did reduce growth in this area, which provoked some irritation among reformists in educational circles. The 1992-95 recession and an increase in public expenditure changed this situation. The federal budget deficit increased to 5% of GNP. At the same time, Austria became a member of the EU. Under these circumstances, a drastic policy of consolidation was launched – a policy that was to affect all public sectors and involve severe cutbacks in the budget for education. This required special legal and administrative measures and attracted much more public attention.
Early 1990s: Progressive implementation of financial autonomy. In the first stage, each school was given discretionary authority over operational expenditure (building maintenance, heating and cleaning). **1995**: Other stages were carried out with the involvement of 25 schools volunteering to take part in a pilot project on increased autonomy.	• Make schools autonomous in terms of management, funding and operational expenditure.	The last decade has been characterized by a change in the political culture. During the 1980s, the political climate changed: a rise in individualism eroded the polarization between the traditional political forces, which obtained no more than 60% of the vote. New movements emerged, which promoted new perspectives differing from traditional and paternalistic views of the State. In education, this was reflected in a trend towards school autonomy, and a desire to reduce both the influence of the political parties on education, and the complexity of the administrative structure. More regional perspectives were also combined with a reliance on market forces. Part of the education community subscribed to this new trend and criticized the *status quo*. In the mid-1990s, the federation again amended the method for calculating the cost of teachers in relation to the reimbursement that it made to the *Länder*. It now took account of the exact number of hours of teaching for all classes in each school providing compulsory education.

REFORMS	AIMS	CONTEXT
1998: Amendment of the School Organization Act, which granted schools an opportunity to assume certain legal responsibilities: schools that wished to do so could establish a company authorized to collect their own funds. Full autonomy was granted to schools as regards resources for investments (purchases of goods worth more than ATS 5000). Schools are not autonomous as regards their most important budgetary item, staff salaries.	• Make schools autonomous in terms of the management and funding of investment expenditure.	Up to now, only a few schools have created such a company. The social and political debate that emerged during the early 1990s was polarized over the following questions: • to what extent should schools be authorized to determine their own operational expenditure? • to what extent should they be able to transfer funds between budgetary headings and accounting years? • to what extent should individual schools be granted a limited legal status and be able to collect funds independently? In this debate over autonomy, financial issues were subject to the greatest controversy.

PORTUGAL

Authorities responsible for schools: The State maintains and administers most schools. Local authorities are responsible for constructing primary school buildings. Some private schools already existed before 1980, when the statute governing private schools and subsidy contracts was established. In 1971, a second stage of *ensino básico* (basic education) was introduced. It was to be provided using audio-visual distance learning techniques to enable relatively small numbers of pupils in geographically remote areas to receive schooling.

Method of financing schools: Up to 1988, public-sector schools received a state grant broken down into several budgetary items. Any amendment to this budget had to be submitted to the Ministry of Finance for approval. Local authorities funded operational expenditure of primary schools, for which the former received a grant from the government.

Education supply and demand: Compulsory education was set at four years in 1960. This was extended to six years in 1967 and then nine in 1986. Attendance rates in the second and third stages increased until 1985 and 1994, respectively. In the public sector, parents had to enrol their child in the school closest to their domicile or workplace. The birth rate has fallen significantly since 1977, the year that also marked the start of a concerted drive to increase state school provision in order to ensure that all pupils could attend school.

General economic and political context: Since the end of dictatorship in 1974, gradual urbanization of the country has taken place alongside consolidation of democracy and local democratic power.

REFORMS	AIMS	CONTEXT
1980: Decree law dealing with the status of private education applicable to private schools with the exception of higher education institutions. This decree established the types of subsidy contracts that could be concluded with private schools. It provided for three types of contract: association contracts for private schools that serviced areas in which there were no public schools; sponsorship contracts for art education; and individual contracts for pupils in financial difficulty who attended private schools.	• Provide a legal foundation for private schools; • increase the capacity of these schools.	Before 1980, some pupils receiving private *ensino básico* and secondary education already obtained grants, primarily because partial reliance on private schools was unavoidable if the entire population meant to attend school was to do so. The need to satisfy the growing demand for basic education meant that the opening of negotiations with private schools willing to substitute for the public network and accept all pupils in their catchment areas was inevitable.
1984: Financial responsibility transferred to the local administrations for the transportation of pupils in *ensino básico* (whose first and second stages lasted six years in all), as well as for school cafeterias in primary school and direct social assistance to pupils in need receiving primary education and *ensino básico* via the media. At the same time, the state budgetary allowance granted to local authorities was increased.	• Transfer decision-making concerned with the funding of auxiliary services (such as meals and transportation) from the central government to the municipalities.	Transport was free of charge for all pupils living at least three kilometres from their school. Each day, pupils received 20 centilitres of milk. School cafeterias served meals at subsidized prices. In 1982, the proportion of pupils receiving educational provision via audio-visual media reached its peak (17.4%). It was then to decline gradually with the founding of new schools offering the second stage of *ensino básico*. Between 1984 and 1994, the number of primary schools decreased as a result of urbanization and the fact that parents could enrol their children in a school close to their workplace. Schools with fewer than 10 pupils were closed, against the wishes of the local authorities.

REFORMS	AIMS	CONTEXT
1986: Establishment of a single three-stage educational structure for *ensino básico*, replacing the previous arrangements under which primary and lower secondary education were separated. The period of compulsory education was increased to nine years.	• Broaden educational provision.	Falling birth rates that affected primary education in particular.
1987: Establishment of the *Direcções Regionais de Educação* (DRE), regional education directorates responsible for the construction of schools providing for the second and third stages of *ensino básico*. Certain subsidies were allocated to schools at the recommendation of these directorates. The DRE and central department of the Ministry established norms for quantifying school needs for teachers (class size and the number of teaching hours).	• Broaden decision-making concerned with funding for buildings.	Attendance rates in the second stage of *ensino básico* peaked in 1985, from which time onwards the effects of the falling birth rate on them began to be felt.
1988: Carrying out of an experiment in 100 schools providing *ensino básico* and secondary education. These schools could only include grants for operational purposes under two budgetary headings, namely 'current expenditure' and 'capital expenditure'. Schools were also authorized to employ grants not used under the 'current expenditure' heading, as well as savings on staff (non-replacement of non-teaching staff who resigned), for capital expenditure. In 1989, these special regulations were extended to 200 new schools before becoming generally applicable.	• Decentralize financial administration from the State to schools themselves.	This reform was fundamental, as the general regulations applicable to services that enjoyed administrative autonomy required that grants should be entered and managed under detailed budget headings.
October 1988: Schools authorized to collect funds and manage them, which had previously been impossible. This revenue was used for school maintenance and upkeep.	• Decentralize fund-raising activity to school level.	Schools previously had to return income from the sale of stationery or the management of bars or cafeterias to the State which then used it to provide direct social assistance to pupils in need. They thus had no decision-making powers regarding the use of this money.
February 1989: Decree law establishing the cultural, teaching and administrative autonomy of second- and third-stage schools, giving concrete expression to earlier trends related to financial management. It stipulates (1) entering and management of the budget under only two headings, namely 'current expenditure' and 'capital expenditure', (2) autonomy in seeking and managing their own resources, including those involving school fees, taxes and fines,	• Confer greater decision-making autonomy on schools, so that the use of available resources became more efficient and better targeted; • provide for a fair distribution of available resources;	Responsibility for implementing school budgets was transferred from the Ministry of Finance to the Ministry of Education as part of the gradual regionalization of educational administration (through the DRE). Responsibilities relating to the centralized management of financial resources were developed (at ministerial financial group level) to prevent the substantial independence of schools from leading to financial irregularities or undue additional funding.

REFORMS	AIMS	CONTEXT
income from school property and interest from bank deposits, sales and catering, donations, subsidies, inheritances, legacies and shares; automatic transfer of the balance in schools' own revenues to the following year. In this way, a system of autonomy in financial management became institutionalized under the norms of public accounting; this system was much vaster than the normal system of administrative autonomy provided for in the general law.	• ensure that they were fully used within the year for which they were earmarked, given that the balance could not be carried over from one year to the next.	Most of the schools' own income came from sales in their cafeterias. Its contribution to educational activity did not exceed 20% of total operational expenditure.
1990s (1): Establishment of special programmes for primary schools and basic education via audio-visual media (the 'Priority Areas of Educational Intervention' and 'Education for All' Programmes). The Ministry of Education accomplished this through action to fund primary school operations. Its intervention also entailed a cash grant (either channelled through the DRE, or for programmes to deal with school libraries or introduce new technologies).	• Increase success rates at school and counter school dropout.	Only schools that belonged to the foregoing programmes could obtain these specific grants. In 1994, 6.9% of pupils were enrolled in education provided via audio-visual media.
1990s (2): The creation of schools offering the three stages of *ensino básico* made it possible to provide for a budget managed in accordance with the regulations now governing second- and third-stage schools (the financial contribution of local authorities has represented an addition to the budget). The same situation applied when the primary schools and schools providing *ensino básico* via audio-visual media were included in the so-called 'amalgamations' of schools offering the second and third stages of basic education.	• Encompass the entire school career of pupils from a given catchment area.	The current trend has been to merge schools to make them large enough to justify the existence of management bodies and autonomous decision-making as regards the use of grants, whether awarded by local authorities, the Ministry of Education or educational programmes financed by EU subsidies.
1996: The Ministry of Education and National Association of Municipalities signed a protocol stating that local authorities should have no more than a subsidiary involvement in primary school cafeterias. In other words, they would only be required to make a financial contribution to meeting the cost of meals, which was equivalent to the amounts provided by the DRE. The managerial and staffing costs of cafeterias would be borne by the Ministry of Education.	• Reopen school dining rooms that had been closed in a large number of municipalities.	In the criteria for distribution of the state budgetary allowance, the 1987 local funding law did not take account of the financial impact of the responsibilities transferred to local authorities in 1984. Consequently, many authorities considered that the new distribution of financial resources did not enable them to meet the obligations imposed on them since 1984. And, while this appeared to have had no impact on the operation of the school transport system, the same could not be said of the school cafeterias.

REFORMS	AIMS	CONTEXT
1997: Authorization to amalgamate schools offering pre-school and primary education, and basic education via audio-visual media. These amalgamated entities were to become autonomous in terms of management from 1998 onwards. Block grants intended for the operation of such amalgamations have been included in the state budget, but few have as yet been established.	• Promote fairness in funding for the operation of primary schools; • increase the size of schools to facilitate autonomy.	The government in power decided to give priority to primary education and to the development of pre-school education. This decision revived the debate on the financial resources earmarked for the operation of primary schools. Previously, schools at this level had no directly allocated budget of their own, whose use would have had to be justified.
1997-98: Amendment of the terms governing the 'individual contracts' of private schools. At private schools that accepted pupils in financial difficulty, the subsidy for each pupil was formerly established on the basis of fees charged by the school (along with a reduction offered by it) and family income. These were the circumstances under which 'individual contracts' were provided for. Now, private schools are no longer required to reduce fees for pupils covered by the contracts.		The introduction, in the 1980 reform, of subsidy contracts concluded with private schools led to a gradual increase in the amounts of subsidies and the number of pupils in grant-aided private education. There was no such increase in the number of pupils in non-subsidized private education. The reform of 1997 entailed a considerable increase in the number of contracts, subsidies per pupil and the number of pupils covered by these contracts. This increase in the subsidies gave parents greater freedom to choose between state and private schools.

FINLAND

Authorities responsible for schools: From 1860 to 1890, the government established a dense educational network through the creation of Folk Schools in different localities. The start of the 1950s witnessed the creation of numerous Folk Schools with a view to responding to the increase in the age-groups eligible to attend school and to the damage caused during the Second World War.

Method of financing schools: In 1926, a law on folk school expenditure was adopted, the aim being to upgrade the economic status of the poorest municipalities. The post-war period was noteworthy for an increase in educational expenditure. Until 1993, the central administration strictly controlled municipal school services and their financial management. Subsidies were earmarked in advance. The central administration paid a certain percentage of the real costs of most services. In order to limit its own expenditure, the State thus had to limit municipal expenses too and, as a result, exercised control over total municipal expenditure and the share of different municipal expenses, such, as wages. However, the central administration did not control the allocation of resources between schools within a municipality.

Education supply and demand: In 1921, education became compulsory. From 1972 to 1977, the single structure school system (the *peruskoulu*) was progressively introduced under the Comprehensive School Act. Compulsory education was organized in two stages (of six and three years). Attendance was in accordance with the school district in which pupils lived. They were entitled to undergo schooling in their own district, but could also register for schools outside this district on the grounds of language or for health reasons. The 1960s and 1970s were a period of school closure resulting from changes in the population structure (age and distribution).

General economic and political context: The post-war period witnessed a transfer of activities and services towards the municipalities. In 1967, a general reform concerning the financial relation between the central administration and the municipalities was introduced. This involved the introduction of a system of classification related to financial capacity (determined on the basis of tax revenue and net expenses). Accordingly, municipalities were classified into ten categories, and the government allocated subsidies for key services depending on this classification which was subject to annual review. Overall, the situation was expected to remain stable, thereby ensuring proper control of public expenditure.

REFORMS	AIMS	CONTEXT
1979: Application to primary and lower-stage compulsory education of the category-based system of subsidies. All school expenditure was shared between the government and the municipality in which pupils were resident, in accordance with the proportion of government subsidies. Each category of financial capacity had a corresponding percentage of subsidies (with the least privileged categories receiving greater resources). Three kinds of budgetary heading were identified: teacher salaries, transport and accommodation expenses, and other operational costs. At that point, the calculative factor reducing expenses related only to the (so-called) 'other operating costs' (not teacher salaries or transport and accommmodation expenses). For the salaries heading, the formula took the number of teachers and their individual salary levels into account. The formula for	• Reduce bureaucracy associated with the system of governmentally subsidized teaching; • ensure fair treatment for all regions; • develop municipal autonomy; • reduce increasing municipal expenditure.	This aim was conceived in terms of state compensatory payments for schools facing high costs, as a result of widely dispersed pupil populations in their catchment areas. Greater autonomy was reflected in the progressive transfer of decision-making powers towards the local authorities, and away from central level. The system developed in 1979 was still bureaucratic because real municipal expenditure had to be verified before making the final payment. Yet the 1979 reform represented a considerable improvement compared to the earlier situation.

REFORMS	AIMS	CONTEXT
calculating subsidies took no account of the second kind of heading, which continued to be financed in accordance with real costs. As regards the financing system, this process was reflected in the move towards a system based on the number of pupils rather than on costs.		
1992: Economy measures (in particular, an increase in the minimal number of pupils necessary for a teaching post to be maintained in small schools).	• Reduce educational expenditure.	The country experienced a major economic recession. Finland had a large number of small schools. The operational costs per pupil rose sharply in the 1980s, to reach a peak in 1988. To avoid over-depletion of the school network, the authorities were obliged in the preceding years to reduce considerably the norms for maintaining a school with two teachers (55 pupils in 1958 down to 12 in 1977). The 1992 initiative led to the closure of many schools.
1993: Reform of subsidy procedures, which considerably increased the decision-making powers of the municipalities. The share of state subsidies awarded to them by the Ministry of Education was less dependent on their economic situation. Compensating for economic disparities between them was the responsibility of the Ministries of the Interior and Finance, respectively. The amount awarded was a lump sum, with municipalities themselves deciding how much and how they would invest in education. While the central administration did not have to be repaid any unspent sums each year, it did not necessarily provide public funding to cover any budgetary deficit. The award of subsidies to the municipalities was based on the number of pupils (the average amount per pupil was defined annually by the government) and a unit cost per pupil (which took account of the number of lessons, and the density and category of the municipal population). The central administration no longer intervened in decisions regarding the allocation of resources and subsidies among schools within a single municipality, which itself determined the extent to which schools were autonomous. Their level of decision-making power thus varied from one municipality to the next.	• Clarify the distribution of financial responsibility regarding public services between the different ministries; • increase the efficiency and productivity of the educational system; • further increase municipal autonomy.	The reform plan was initiated in the mid-1980s. In 1987, the new government identified reform of the administration as one of several priority issues. The reform applied to all administrative sectors and involved, in particular, management by results in public administration, the privatization of several state agencies and changes in the way the government subsidized municipalities. Moreover, the end of the 1980s witnessed significant economic growth and relatively comfortable financial circumstances for municipalities and the government. The former called for greater autonomy, as their leaders claimed they would perform better without central supervision, which they considered to be over-protective. Following several positive pilot experiments, the government in 1989 entrusted an official with the task of preparing a draft reform of the methods by which the health, education and social security sectors were subsidized. On the basis of this proposal, the reform was introduced over a two-year period. The move from a system of financing based on real costs to one based on a per capita formula for its calculation was important for the national economy, as it encouraged greater economic efficiency on the part of the municipalities. The 1993 reform removed most of the central-level bureaucracy in the state subsidy system as there was no longer any need to calculate the real expenditure of education organizers. At local level, the appropriation of central government subsidies in accordance with the municipality of residence, continued to result in bureaucracy until the introduction of the 1996-97 reforms.

REFORMS	AIMS	CONTEXT
1993-98: An annual reduction in government subsidies was followed by decreased municipal expenditure on education, as the unit cost per pupil was revised downwards. The decrease in resources led to a fall in the number of schools.	• Cut back on educational expenditure; • reduce the rate at which the State incurred debt.	The transfer of power from the central administration to the municipalities occurred in a very different economic context from the one in which the 1993 reform was conceived. The municipal authorities had to cope with fewer subsidies and introduce economy measures.
1996/97: The financial involvement of the municipalities was reformed. In 1996, the former classification of the municipalities for the block grant awarded by the Ministry of the Interior was replaced by more evenly balanced arrangements based on consideration of municipal tax revenue compared to a national average (municipalities with lower incomes from taxation were compensated, while those with higher tax revenues had to contribute more). In 1997, a second reform supplemented the 1996 measures. The Ministry of Education established a unit price for each municipality in accordance with various criteria. The subsidy awarded to each was the difference between the specific unit price for the municipality and the share of the costs borne by it (which was the same amount per inhabitant for all municipalities). Subsidy amounts were calculated by simply multiplying the number of pupils attending the school (whether or not they were resident in the municipality) by the unit price. These amounts could then be paid directly to school managing bodies. Transport subsidies were included within the general unit price.	• Limit variations in educational expenditure; • reduce the work entailed in administering subsidies.	The system based on classification was compromised, because increasing numbers of municipalities were qualifying for lower categories of financial capacity. The stability expected of the system in terms of overall expenditure, which should have been the result of a movement in both directions (some municipalities moving upwards, others downwards) along the classification scale, was not achieved. It was considered inadequate in its effects since it offered them little incentive to improve their economic performance (the more precarious their circumstances, the greater their government support). The government that came to power in 1995 decided to review the system. The new system carried benefits for the education sector, since the self-funded contribution to schooling of all municipalities corresponded to the same per capita amount, irrespective of the educational activity they actually administered. The system was also easier to manage, since there was no longer any relationship between the subsidy and the place where pupils were resident. In most cases, subsidies were inadequate. Agreements were thus reached between schools and their municipalities, as regards the financing of costs not covered by subsidies.

REFORMS	AIMS	CONTEXT
1998: Draft law intended to replace the Comprehensive School Act by the Basic Education Act, which would bring government-administered, private and municipal education within a single legislative framework. The aims, structure and content of education would be defined independently of any particular institutions. The *koulutuksen järjestäjä* (education organizer) was to exercise decision-making power as regards several schools, the various responsibilities to be assumed by institutions and organizational matters. The organizer was to be the authority to which central government subsidies would be allocated. Within certain limits, pupils are free to choose the school of their preference from those located in their municipality of residence. To reduce transport problems, the municipality could assign a child to one of its own schools, a school in another municipality, a private institution or a government-administered school. Furthermore, a strict division of basic education into two stages would no longer be necessary. Compulsory education would be extended to all children aged between 7 and 16 living in Finland, regardless of their nationality. Certain clarifications regarding private education were contained in the proposal. Funding would be earmarked for the private sector provided it responded to particular educational needs in its geographical area. While agreement between the management of private schools and the municipality concerned would normally be required, exceptions might be possible under certain circumstances.	• Ensure educational equality in all regions; • consolidate diversified legislation; • make the transition from regulating educational institutions to regulating activities such as basic education.	The proposal continued the decentralization process of the Finnish education system in its emphasis on the freedom of education organizers to arrange their own activities, and on their responsibility for the educational services they provided. It was also important that the education system should adjust more easily to changes in society. The legislation was intended to provide opportunities to this end, rather than imposing decisions taken centrally beforehand. The Basic Education Act and Decree came into force in 1999. A unit price per pupil based on the state subsidy to private education providers is 90% of the municipal unit price. However, for private schools that were operating before the 1998 renewal, the unit price is the same as the one for municipal schools. The term *koulutuksen järjestäjä* (education organizer) refers to the municipality, federation of municipalities or private community or foundation which is in charge of providing education and which, for that purpose, is eligible for central government subsidies or funding. Such an organizer may possess many different educational institutions (as, for example, in the case of the City of Helsinki), or only one (as in the case of a private foundation). Education organizers are accountable to the central government for their service and responsible for the allocation of resources among the institutions they own.

SWEDEN

Authorities responsible for schools: Responsibility for school management has been decentralized since the beginning of the 1990s and is assumed primarily by the municipalities. The central government therefore no longer issues directives concerning the organization of education (number of classes or school units). Nonetheless, it exercises some influence by awarding block grants to municipalities, which are not specifically earmarked for education. Up to 1991, municipalities were concerned primarily with organizational and economic matters, while topics affecting the quality and effectiveness of education received only secondary attention.

Method of financing schools: Before 1991, government grants were tightly and automatically linked, on the one hand, to the organization of education approved by the state school administrative bodies (*county school* boards that were abolished in 1991) and the distribution of pupils among schools and, on the other, to certain specific categories of expenditure and mainly that of teaching staff salaries. The grant is calculated on the basis of the number of weekly teaching hours.

Education supply and demand: The number of pupils increased significantly during the 1990s. Since 1962, the duration of compulsory education has been fixed at nine years.

General economic and political context: Since the mid-1980s, there has been a marked tendency in administrative policy to grant increasing responsibility and greater managerial autonomy to local government authorities (municipalities and county councils) both in education and other public sectors.

REFORMS	AIMS	CONTEXT
1991 (1): The regulation of staff conditions of employment in the public sector was transferred from central level to the level of the parties concerned.	• Rationalize public expenditure on education.	Economic conditions deteriorated and public demand for greater control over public expenditure increased.
1991 (2): A shift occurred in the distribution of responsibilities between central and local governments. Municipalities were given total responsibility for the management of compulsory education in the public sector. They also now had greater leeway as regards the selection of resources, the way work was to be organized, and the resources to be invested in education. Municipalities could delegate to schools, some or all of their decisions regarding the allocation of resources. However, in general, a considerable share of resources was still administered at the central level of the municipalities and allocated in the form of earmarked amounts.	• Rationalize public expenditure on education; • establish more efficient administration and political control; • make it possible to adapt better to local needs and conditions, and be more efficient and cost-conscious; • increase the influence of civil interests on municipal activities.	In 1988, the government drafted a bill that took the first steps towards deregulating the education system, and adopting a performance-based administrative system. Attempts to fulfil the aim of this reform should be assessed in the light of the deterioration of the economic situation, and growing demand on the part of society for greater control over public expenditure, especially in education. Particular emphasis was laid on broader representation and involvement, increased effectiveness and a more professional service. Decentralization and deregulation were identified as the means of tackling these priorities. To do this, it was vital to ensure that all those directly involved (municipalities, schools, teachers, parents and pupils) accepted greater responsibility. In education, the move towards decentralization entailed an increasingly marked delegation of responsibilities to schools. In 1991, state control of the appointment of teachers and school heads was abolished.

REFORMS	AIMS	CONTEXT
1991 (3): Reform of the method of funding under regulations that introduced a standardized system of estimating the educational funding requirements of municipalities. These needs determined the amount of assistance provided by the State. The new method of funding did not regulate the way schools were to be administered, and enabled the free use of resources in municipalities.	• Promote decentralization and autonomy in the municipalities.	The method of calculation for financing schools took account, at the outset, of the specific characteristics of each school, to which basic resources were allocated separately. However, this method of calculation was relatively inflexible, because it was closely tied to the existing organizational structure and predetermined budgetary items. As a result, the method of awarding grants did not encourage municipal initiatives for rationalization, re-evaluating the organization and allocation of resources, or educational or organizational adaptation to changes in the socio-economic context. By establishing a performance-based form of administration in place of a system of regulatory control, responsibilities and duties were transferred from the central government to the schools, which led to some measure of deregulation in the field of education.
1992 (1): A change in the method of funding private education. For every child attending a private school, his or her municipality of residence had to award the school a standard allocation for its staff and operational expenditure.	• Regulate the funding of grant-aided private schools.	Before this reform, grant-aided private schools could be subsidized as long as they used teaching methods and organized kinds of activity that were judged to be in the public interest, and could be tested in the education system. Municipalities had no obligation to support such schools financially, which meant that circumstances differed very widely from one municipality to the next. Nonetheless, most municipalities provided grants for teaching materials, meals and school medicine.
1992 (2): Provisions were included in the Education Act to enable parents to choose a public-sector or private school other than the one offered by the municipality.	• Ensure complete freedom in the choice of a private school; • offer some latitude in the choice of a municipal school other than the one in the child's home municipality.	The municipality was not, however, required to cover transport costs if parents chose to enrol their child in a school that was distant from their home.
1993: The State no longer awarded earmarked grants for educational activities. Instead, municipalities and county councils received a general state subsidy. This 'state equalization grant' levelled disparities in the tax revenues received by municipalities and the costs disparity that was structurally conditioned.	• Ensure that the various municipalities and counties were subject to equivalent financial conditions; • compensate for population decreases.	The economic situation in the country deteriorated greatly in the first half of the decade. The country experienced the most significant recession since the 1930s. During the first three years, the public debt doubled, unemployment tripled and the budget deficit quadrupled. One of the ideas underlying the process of decentralization and greater autonomy was to vary the costs of education in accordance with the needs of each municipality or school. The funds allocated by the central government to the municipalities were thus calculated on the basis of certain variables that made it possible to offset the effects of geographical, socio-economic and demographic disparities.

REFORMS	AIMS	CONTEXT
1994: The governmental decree of 17 February stipulated that equivalence in education did not imply that education was identical everywhere, or that resources had to be uniformly distributed in both the public and grant-aided private sectors.	• Respond to the principle of 'management by needs' in the allocation of resources.	This decree defined the new common curriculum for the whole of compulsory education. During the 1990s, it became common for municipalities to allocate funds to schools to take account not only of the number of their pupils but also their specific needs.
1995 (1): Governmental decree No. 200 introduced a new system of grants for private education similar to the one for public education. This system became effective in the 1997/98 school year.	• Use the same system to fund both private and public education; • increase competition between schools, and develop greater parental choice of schools.	Rather than providing a standard level of assistance, municipalities had to take account of school investments, the needs of pupils, and the fact that grant-aided private schools faced certain higher costs (in particular, the payment of value added tax). In 1995, only 2% of the school population attended private schools. Before the reform, fees could be charged. Now, grant-aided private schools at compulsory level are not allowed to charge fees.
1995 (2): Governmental decree no. 157 provided for the initiation of pilot projects involving local boards that included a majority of parents. Boards could be entrusted with all duties relating to the school budget, such as the allocation of resources for operational costs and staff.	• Meet the requirements of parents and pupils so as to improve the quality of education.	Parliament decided that the municipalities could transfer certain responsibilities and decision-making functions to local boards for a five-year trial period up to July 2001.
1992-96: A reduction in teaching and non-teaching staff, thus increasing the pupil/teacher ratio.	• Cut the costs of education.	Between 1992 and 1996, municipalities faced new financial difficulties. It is difficult to assess whether current increased cost awareness (the realization that not all solutions depended on an increase in resources) is the result of decentralization or heavier budgetary restrictions since 1992. However, this reduction in staff did not have dramatic short-term effects, as the relative share of public expenditure involving education was higher in comparison with other countries and because the teachers, who were very well trained, were sufficiently committed and creative to be able to cushion the effects of the cutback. In addition, the proportion of municipal expenditure devoted to education remained relatively stable.

REFORMS	AIMS	CONTEXT
1997 and **1999**: Official government letters proposed a development plan as part of the decentralization process initiated during the 1980s. The plan emphasized the importance of effective management (in terms of aims and results) and, in this context, the improvement and strengthening of supervisory and evaluation mechanisms in many municipalities and schools, in particular for the purpose of compiling solid information resources to support decision-making and educational development.	• Continue the policy of decentralization; • establish a vigorous policy to improve school quality.	Despite favourable results in international comparisons, the first signs of insufficient quality have become apparent. The development plan established that pupils experiencing difficulties should receive decreasing amounts of assistance.

482

481

UNITED KINGDOM (England, Wales and Northern Ireland)

Authorities responsible for schools: The national education system has been administered locally since 1870. The central government's function has been limited to providing financial support to locally elected bodies and ensuring the effective execution of national policy for education. Since 1944, publicly *maintained schools* have had individual *governing bodies*, whose actual role was limited up until the 1988 Act, as they could do little more than act as a sounding-board between *Local Education Authorities* (LEAs) and the head teacher. In Northern Ireland, there are no LEAs, but five *Education and Library Boards* which exercise similar responsibilities.

Method of financing schools: From 1944 to 1959, LEAs received a grant from the government based on a percentage of the amount that the local authority decided to spend on education. In addition to this grant, LEAs received specific grants for certain budget items (notably school meals and a youth employment service). The remaining expenditure (about half) was raised from local ratepayers. From 1959, the specific grants were subsumed into a general grant towards expenditure incurred by local authorities in running all their services. This grant was not necessarily earmarked for education or any other particular local service. At the LEA level, elected politicians determined the amount of expenditure for education overall, and the Education Committee (made up of municipal councillors and members co-opted from the local community) allocated the amounts to be spent on each school, which left schools little margin for discretion. The number and age of the pupils determined the number of teachers allocated to each school. LEAs were responsible for teachers' salaries and expenses associated with buildings. Each school administered expenditure for books, office equipment and teaching materials. Nonetheless, the necessary funds for these expenses were retained at LEA level, where they were managed in accordance with the wishes of the individual school.

Since 1944, *voluntary aided schools* (grant-aided private schools) have been financed in virtually the same way as other schools funded by the LEAs. They have, in this respect, been in the same position as other *maintained schools*. The only real difference in their governance has been that the *governing bodies* of these schools have always remained in law the employer of staff while in other *maintained schools* the staff were employed by the LEA.

Education supply and demand: In 1944, schooling became compulsory from the ages of five to 15. In 1972/73, the upper age became 16. Since 1980, various legislative measures have enabled parents to express a preference for schools for their children. The ability of schools to expand, however, was limited since, until 1988, LEAs could restrict and control the size of the school roll in schools under their jurisdiction.

General economic and political context: During the 1970s, pressure was exerted by the International Monetary Fund (IMF) in an attempt to control public expenditure.

REFORMS	AIMS	CONTEXT
1988: Education Reform Act: delegation of the majority of funds to individual schools. According to this law, financial resources were to be allocated to secondary schools and the larger primary schools. Amounts allocated to each school were to be linked to pupil numbers, and schools and not LEAs were to determine how the money should be spent.	• Respond to demand for quality in education and rationalize the administration of resources. The proposed solution involved regulation in accordance with market mechanisms and incentives;	In 1979, there was a change of government in the U.K. and the Conservatives came to power. However, a series of events took place in the field of education during the 1970s and 1980s that led to the radical reform of 1988.
This law established the policy known as *Local Management of Schools* (LMS): all resources allocated to each school were considered to form a single unit that the school was free to administer as it thought best, in keeping with certain restrictions (expenditure could not be for non-school activities, teachers' working conditions and salaries were established at national level and the administration of funds was subject to regulations governing public expenditure).	• enable schools to act as autonomous units and compete with each other in the education market for financial resources; • ensure delegation of responsibilities (establishment of LMS, a necessary condition for schools to become independent and competing suppliers);	There was growing discontent with the apparent quality of education, and concern over the lack of reforms in the education system and what was seen as its poor performance. The further development of consumerism also led to an increased choice of schools for parents in line with their wish to decide freely the school their children attended.
The Law stipulated that parents had to be provided with a maximum of information about the schools (regarding the results of the new school assessment procedures in particular). It also stipulated that the education market was being liberalized, and LEAs were forbidden to limit or control the size of schools under their jurisdiction, so that attractive schools had to be left to grow and less attractive schools closed down in the long run.	• increase parental choice of schools; • liberalize the education market; • reinforce the control of the central government; • reduce the administrative power of the LEAs.	The government was concerned by limits to its power. Changes in patterns of national and local expenditure and revenue (reduced local autonomy and increased central control: as a result of pressure exerted by the IMF, successive governments made it more difficult for local authorities to increase their expenditure by levying local taxes; in terms of the funding of local government expenditure, the balance between national and local sources did therefore change).
The Law extended the role of the Department for Education and Employment (DfEE). Each LEA was to allocate funds in accordance with its own individually devised formula, but with respect also to broad requirements laid down by the DfEE and subject to DfEE approval of the formula concerned. Funds retained by LEAs were also subject to the approval of the DfEE and had to be used solely for the general purposes agreed by it.		The Act also authorized the creation of two new categories of school, namely *grant-maintained schools* and the *city technology colleges* (CTCs). Originally dependent on an LEA, the former decided to opt out of its control, and their endowment was increased by at least the amount of the share of funds previously retained by the LEA. The CTCs, for their part, provided education oriented towards technology and in greater contact with industry and commerce.

REFORMS	AIMS	CONTEXT
After 1988: Adjustments and additions to the 1988 Act, which brought about the following: extension of LMS to all schools, regardless of size; establishment of the content and costs of services provided by LEAs to the schools under their jurisdiction (the schools could buy from suppliers other than the LEA), and compulsory competitive tendering for certain sub-contracting arrangements (cleaning and grounds maintenance); a system of standardized assessment for pupils at particular ages and publication of the results; the technology school programme.	• Improve and increase the use of market mechanisms and incentives, and extend them to all schools; • limit the role and freedom of LEAs, and standardize the situation; • increase competition; • ensure transparency in the market; • increase diversity in educational provision.	
1989: Establishment of LMS in Wales and Northern Ireland.	• Develop market mechanisms and incentives in other parts of the UK.	Certain peculiarities of the Welsh system made implementation of LMS in Wales less rapid than in England. Among them were the large proportion of small schools, which were not at first supposed to become involved in LMS, changes in formulae for calculating additional resources required by the presence of Welsh-speaking or bilingual schools, greater resistance from LEAs that were usually controlled by the Labour Party in Wales and greater reluctance on the part of teachers. In Northern Ireland, as in Wales, implementation of LMS was slower than in England, notably as a result of differences in the composition of the secondary school system and the changes these implied in the formula for calculating resources.
1997: New proposals concerning funding, class size (reduction), the compulsory competitive tendering system (relaxation) and subject diversification (to be promoted).	• Pursue the same general aims as targeted by the 1988 Act.	Change in government: the Labour Party returned to power. There was, however, no question of returning to the situation prior to 1988.
1998: Greater delegation to schools of control of centrally held funds.		Legislation abolishing *grant-maintained schools*.

UNITED KINGDOM (Scotland)

Authorities responsible for schools: The 32 district education authorities (which in 1996 replaced the 12 regional authorities) are accountable to the central government and, through the *Scottish Office Education and Industry Department* (SOEID), now the Scottish Executive Education Department (SEED), are responsible for the provision of buildings and teaching resources, appointment of teachers, employment of non-teaching staff, and the delivery of education.

Method of financing schools: Educational provision is the result of a close collaboration between local government and central government, each providing about half of the finance required. The numbers of teachers (and hence salary costs) are determined chiefly by the numbers of pupils and class size in primary schools and by a combination of these two factors and the structure of the curriculum in secondary school. Up to 1996, state schools were only responsible for the management of about 5% of operating costs (covering in particular the purchase of books and supplies and minor repairs to equipment). In the case of grant-aided private schools, the method of calculating the assistance provided by the then Scottish Education Department was re-defined in 1959, but from 1976 the grant-in-aid was phased out. In the late 1960s, comprehensive secondary education with a common core curriculum in the first two years was established. Additional senior promoted staff positions with responsibilities involving the curriculum, pupil guidance and administration and management were gradually introduced into the secondary schools and to a lesser extent into primary schools, thus increasing operating costs. The major curriculum and assessment reforms of 1977 increased the management functions of the secondary head teacher and senior staff and involved schools further in educational innovation. Despite the increased financial management responsibility since 1966, the main aim of school management (primary and secondary) remains educational quality.

Education supply and demand: Education has been compulsory between the ages of 5 and 16 since 1972. The education authorities define catchment areas for each school and, until 1981, parents had to enrol their children at the school in their own area. In that year, an amendment to the Education (Scotland) Act 1980 made it possible for them, under certain conditions, to choose another school. Demographically, there was a massive decrease in the school population during the late 1970s and 1980s, which resulted in a number of school closures, especially in west-central Scotland.

General economic and political context: The development of the oil and high-tech industries in the east and north-east of Scotland exacerbated demographic change and led to immigration from the mid-west to the east and north-east. This resulted in a shift in the demand for educational provision.

REFORMS	AIMS	CONTEXT
1976: New regulations affecting the financial assistance the Scottish Education Department provided to primary schools (definition of standard assistance that decreased the amount of the allocation). The regulations were annually amended up to 1982.	• Gradually reduce and stop financial assistance awarded to private schools.	In 1970, there were 29 grant-aided private schools that received public allocations covering 50-60% of their expenditure. The 1976 regulations resulted in the gradual closure or merger of some grant-aided private schools, and the change of status of others to become public schools under their education authority.
1980: The Education (Scotland) Act confirmed the basic legal framework for the responsibilities of education authorities, mainly at administrative and organizational level. This Act also defined the period of compulsory education and parental responsibilities. The Acts that follow constituted amendments to the 1980 Act.	• Define the duties of the (local) education authorities; • specify clearly the rights and obligations of pupils and parents.	In 1979, the Conservative Party came to power. Between 1980 and 1990, there was a range of curricular developments whose main purpose, in secondary education, was to respond more effectively to the needs of the workplace as regards, for example, the new technologies.

REFORMS	AIMS	CONTEXT
1981: An amendment of the 1980 Education (Scotland) Act defined the system for calculating teachers' remuneration and working conditions. The amendment also enabled parents to enrol their children in a school located outside their area as long as it was big enough to accept them (the education authority determined the catchment area for each school).		In addition, this amendment established an *Assisted Places Scheme* for 'deserving' pupils whose parents were unable to pay school fees to private schools. Arrangements established by the Conservative government for the award of such assistance to some pupils in private education, however, did not offset the loss of resources associated with the reduction in financial support from the Scottish Education Department that occurred from 1976 onwards. The Labour government that came to power in 1997 is planning the gradual abolition of *assisted places*.
1985-86: Abolition of grant-in-aid to private schools.		From 1982 onwards, private schools had to manage without any financial assistance from the Scottish Education Department and, by the end of the 1985/ 86 school year, had to become public, or close/merge, or survive without grant-in aid.
1987: The Secretary of State revised staffing norms (on the basis of the number of classes and pupils, the time required for administration and, in secondary schools, the kind of curriculum). Specific resources were made available to employ 500 additional teachers in urban areas that were disadvantaged or had a high proportion of pupils from ethnic minorities.	• Adapt existing norms to changes in education.	A body of norms regarding minimum staffing standards in primary and secondary schools had existed since the mid-1970s. They were approved by the Secretary of State and all the education authorities had to respect them. Their revision was attributable to school disciplinary pressures, the development of practical aspects of curricular content, curricular changes, the specific needs of socially disadvantaged regions, and secondment as a procedure for ensuring curricular development.
1988: School Boards (Scotland) Act: Each public school was given an opportunity to form a school board made up of parents (who were to constitute the majority), members of the staff and co-opted members from the local community. Along with the head teacher and education authority, the school board contributed to management of the school and had the right to access information about both it and other schools subject to the same education authority (particularly in the area of financial management).	• Enable parents and the local community to voice their opinions, and exercise some influence on the school.	This Act also provided for the delegation, by the education authority, of other functions to the school boards none of which however has requested additional power. Contrary to the situation in England and Wales, the education authorities remained responsible for appointing staff and allocating and managing resources. They could delegate certain responsibilities to the head teacher but not to the school board. School boards helped to discover new sources of funding which could provide substantial additional income for schools (school fund). The years between 1985 and 1998 witnessed the emergence of a policy designed to establish a stronger 'quality culture' in Scottish education, in particular, by implementing quality assurance mechanisms at the three decision-making levels (central, local and school).

REFORMS	AIMS	CONTEXT
1989: The Scottish Joint Negotiating Committee, in its Circular SE/48, agreed an upper limit of 25 pupils for primary school classes with substantial age variations (composite classes). The proposal was ratified by the SOEID and became legally binding.	• Improve staffing norms for primary school pupils.	The Scottish Joint Negotiating Committee agreement had already set the maximum class size in primary school at 33 pupils.
1991: A Parents' Charter defined the aims of a primary and secondary school audit in Scotland, and specified the information to be circulated on its completion. The Charter also ratified the 1981 Act on the parental choice of schools (not geographically limited).	• Evaluate schools, especially in terms of financial management (value for money).	In 1992, following the *Parents' Charter*, an Audit Unit was set up as part of the activities of Her Majesty's Inspectors at the SOEID. Its work led to the definition of performance indicators and provided a considerable body of data and analysis dealing with the education system, and especially the performance and operating costs of individual schools. It revealed that operating costs rose substantially between 1994/95 and 1996/97 and that small schools were far more expensive. The majority of parents continued to send their children to the local school. Their freedom of choice was also limited by the thinly spread geographical distribution of schools.
1993: Circular 6/93 sought to develop and organize so-called *Devolved School Management* (DSM), the aim of which was to delegate to schools the management of at least 80% of their available resources. The change involved: • making more relevant information available to parents and local communities; • measures to enable local decision-making in the area of expenditure; • promises to schools that they would benefit from the substantial economies they achieved.	• Transfer power from the 'producers' to the 'consumers' of the service, thereby altering the nature of financial responsibility; • improve parental awareness of the costs of education; • enable the priorities of each school to be more closely matched to its needs.	The devolution of responsibilities from central level to the schools gathered pace substantially in the ten years up to 1993, when it was part of a general policy initiated by the Conservative government (1979-1997) to redefine the relationship between citizens and the Welfare State. From the central government standpoint, the performance of the education system was not a satisfactory reflection of the costs required to run it. The UK government paid special attention to the local authorities, the intermediate decision-making level between central government and the citizen, and to their privileged position, as education authorities, with regard to educational policy and management, and in allocating financial resources to schools. In the view of the government, the education authorities in England, Wales, Northern Ireland and Scotland were over-concerned with maintaining a financial balance, and thus failed to make optimal use of resources and implement educational measures more in tune with the socio-economic context. Their perceived bureaucratic way of working was deemed to hinder the development of education, which also appeared too expensive when considered in relation to its potential cost-effectiveness. For this reason, the government began attempting to decentralize the day-to-day oversight of funding.

REFORMS	AIMS	CONTEXT
1993: Circular 6/93 was intended to complement the Local Government (Scotland) Act 1993, which reorganized the education authorities (to create 32 instead of 12 by 1996). The Circular specified methods for calculating the financial resources made available to head teachers (in accordance with the number of pupils in the school and previous expenditure, enabling education authorities to retain substantial executive powers and the right to devise local education policies).	• Redefine the responsibilities of education authorities, and involve schools to a significant extent in the financial administration of resources.	Increased efficiency in the management of education was a priority of the Conservative government. Such was the context in which local players (schools, teachers, local authorities) became more accountable financially to parents, communities and the government, as regards the quality of education in particular. This new trend led to mechanisms to decentralize the management of resources to school level, and redefine the role of head teachers. In the early 1980s, the first modules of the SOEID training programme for head teachers were devised, in order to meet more effectively the new demand for school management that was gradually becoming apparent. Management training was also provided for other senior staff. In the 1990s, training has focused on the following topics: school management; development and evaluation of a frame of reference; the use of new technologies in management; quality control techniques; the planning of school development; and *devolved school management* of finance. Some areas of finance were not devolved, however, or were devolved only on paper. For example, teacher salaries were still paid to the schools on the basis of real costs, even though they appeared in school budgets as average costs. Local authorities continued to make up deficits and take back surpluses, with the result that their role was not diminished.

Authorities responsible for schools: Until 1996, the educational system was strongly centralized.

Method of financing schools: Until 1996, teachers were employed and remunerated by central government. The country was divided into eight educational districts, each with its own *fraedsluskrifstofa* (education office) and *fraedslustjori* (director of education). The role of the office was to coordinate the financial operation of compulsory education in the district and provide support for teaching activity. In 1996, the offices were closed down.

Education supply and demand: In 1946, education became compulsory between the ages of seven and 15. In 1974, the duration of compulsory education became nine years, and this was extended by a further year (corresponding to the period between the ages of 6 and 16) in 1991.

General economic and political context: The increasing concentration of the population in the capital has given rise to anxiety in political circles (the proportion of the population living in the region around the capital was 8% at the start of the century; in 1990, it was 49% and is still rising). The corollary of this migration towards the capital has been a rural exodus explicable in terms of several economic factors (decline of traditional industries), such as farming and fishing. Population density was relatively low.

REFORMS	AIMS	CONTEXT
1989: The Law of 31 May altered the areas of responsibility of the State and local municipalities. All decisions relating to the building and maintenance of schools were henceforth to be taken by the municipalities which would also bear the costs of these operations.	• Launch a decentralization process.	Determination to decentralize was inspired by the process of urbanization. To address this problem, the authorities decided from the start of the 1990s to change their rather inefficient policy of support for traditional sectors, and encourage co-operation with municipalities reorganized into new groups. For this purpose, the government decided to transfer certain responsibilities from central level towards the local authorities. Foremost among them was education.
1996: The Law of 8 March on compulsory education provided for an entire transfer of responsibility in this area towards the local government authorities. Teachers henceforth became salaried employees remunerated by these authorities, and the cost of compulsory education was borne totally by the municipalities. Central government was therefore no longer responsible for it, although it continued to pay for all educational equipment. In addition, each school had to publish an educational plan, explaining how it intended to conduct its activities and meet the aims of the national curriculum. Schools were also meant to introduce evaluation procedures for their activities and educational and management achievements, and develop collaboration amongst themselves.	• Continue moves to decentralize; • promote initiatives within local communities; • improve the quality of education.	The transfer of responsibilities did not lead to major changes in daily school management, given that the reform amounted to no more than a transfer from one level of government to another. Nevertheless, there was widespread agreement that the reform opened up new prospects for stronger decentralization and a greater degree of financial responsibility for schools. The success of this reform conditioned the extension of decentralization to other areas, such as the health sector. The basic idea of the reform was that greater efficiency would result from better use of existing facilities, which itself would be achieved through improved integration by local communities of various social activities in education. The transfer of responsibilities to local authorities led to an increase in educational expenditure.

REFORMS	AIMS	CONTEXT
1997 (1): Teaching organizations and municipalities negotiated a new wages contract which substantially increased teacher salaries	• Adapt salaries to teaching conditions.	Teacher salaries were relatively low in Iceland, compared to those of neighbouring countries. Traditionally, they were offset by opportunities to work overtime, given the two-stream organization of classes (one in the morning, the other in the afternoon). However, as increasing numbers of schools organized full-time provision, opportunities for overtime among teachers became more limited.
1997 (2): The Seljaskolo pilot project in Reykjavik has been concerned with the direct control by schools of the remuneration of all their staff. Seljaskolo is one of the biggest schools for compulsory education in the capital. Its head teacher has been helped in wages administration by a financial expert.	• Continue decentralization; • achieve a greater measure of autonomy for schools.	While the project has so far proved positive, subsequent developments are envisaged. The experiment has given rise to new tasks and calls for new skills on the part of the head teacher.

LIECHTENSTEIN

Authorities responsible for schools: Primary and secondary schools are administered by the government, which appoints teachers.

Method of financing schools: The infrastructure of primary schools is 100% financed by the municipalities. The teachers' salaries is financed 50% by the municipality, 50% by the government. Secondary schooling is wholly financed by the government. School education is free of charge. Schools cannot decide on the number of pupils they accept with a view to increasing their grant allocation. Lack of competition among schools is currently considered a disadvantage by supporters of a society based on achievement. However, the regulations governing admission procedures make it easier to organize the planning of expenditure on school buildings. There is also legislation regarding government financial contributions to private schools. Municipalities are able to support private schools too.

Education supply and demand: Compulsory schooling lasts nine years. In the public sector, there is no parental freedom of choice in primary education – the school attended depends on the school district corresponding to the place of residence.

General economic and political context: This is very stable.

REFORMS	AIMS	CONTEXT
1992: *Schulgesetz* LGBl 1972 No. 7. Law on education which allocated responsibility for various kinds of school, and changed the distribution of responsibilities between the government and the municipalities.		In general, the municipalities have demonstrated much good faith in meeting the financial requirements of primary schools, even in periods of economic recession.
1991 and **1997**: *Subventionsgesetz* LGBl 1991, No. 71. Laws on central government grants to the municipalities for investment expenditure (durable goods): flat-rate grants and subsidies on request.		

NORWAY

Authorities responsible for schools: Schools are run by the municipalities. Following the 1969 Primary and Lower Secondary Education Act, regulations established at central level to govern the structure of classes and groups were abolished when the Act was implemented in 1971, which led to a simplification of the system and provided a basis for the process of establishing school autonomy that followed. A fixed number of hours were allocated to the municipal authorities and each school, in proportion to school size. They were meant to be used in accordance with specific requirements, while respecting certain limitations.

Method of financing schools: Up to 1986, public education was funded on the basis of a highly centralized system of state grants earmarked for specific purposes. The system operated in two stages: first, the central government calculated each school's standard needs (teaching time standards based on the numbers of pupils and classes in each age-group) and, by the same token, those for each municipality; second, the government allocated a broad range of specific funds for particular needs, such as special education.

Education supply and demand: From 1971 until 1997, the period of compulsory education was nine years. In 1997, it was extended to last ten years, starting at the age of 6. During the last 30 years, the teaching hours in primary education have been gradually increased. School population trends have been characterized by falling rates of enrolment: from 1977 to 1993, the school population decreased from 586,000 to 460,000 pupils, representing a drop of 21.5%. Almost 98% of pupils are enrolled in state schools. Parents cannot choose schools freely. They must enrol their child(ren) in a school in their municipality of residence. Up to 1975, the Minister, Chief Education Officers and municipalities were responsible for defining these catchment areas. After 1975, municipalities were able to alter the boundaries of areas after consulting with the Chief Education Officer.

General economic and political context: Rural exodus, which led to a 4.5% decrease in the number of schools over the reference period, as well as a reduction in their size. There has been significant economic growth since 1970. This is partly due to Norway becoming a major oil exporter from the mid-1970s. The growth in the economy has led to significant expansion also in the public sector, which has assumed responsibility for a range of new tasks and improved the provision of existing services. Economic growth explains why people now demand new and improved services adjusted to the needs of the individual. The strong growth in the public sector has made its public services increasingly difficult to manage. All these changes explain the current tendency to decentralize central government responsibilities to local authorities

REFORMS	AIMS	CONTEXT
1985: Private Education Act. In particular, this law specified that: • public authorities were authorized to provide resources on a permanent basis to schools offering educational alternatives to the public sector; • new provisions would be introduced.	• Help to ensure that private schools could be established and operate effectively; • ensure equal treatment for children and teachers in the private and public sectors, respectively.	From 1985 to 1996, the number of pupils in private-sector primary and lower secondary education increased by 74% (from 4 296 to 7 490) and the number of private schools by 60% (from 40 to 64). The reform was mainly inspired by ideology. It was important for the political authorities that, in a democracy, private schools could be established and managed separately from the public school system and thus provide an alternative form of education. Approved private schools received financial support from the State and the municipalities, but parents normally had to pay a share (fee). The government did not fix the school fees.

REFORMS	AIMS	CONTEXT
1986 (1): Reform of the system of state grants for municipalities, and establishment of a municipal income system. The central government transferred a block grant to local authorities on the basis of objective criteria – quantifiable characteristics that local authorities could not influence by their own actions. The block grant supplemented their tax revenue. In this new system, the administrative level responsible for providing a particular service was made responsible for funding it as well. Municipalities in the north also received an additional grant (calculated on the basis of the number of inhabitants) to foster regional development. Municipalities had more freedom to allocate resources involving teaching staff, but they had to respect the regulations in force.	• Increase the autonomy of the municipalities as regards education in particular, so that they might better adapt to the characteristics of local demand; • make local authorities more aware of their revenue resources and, as a result, • ensure the effectiveness of expenditure and grants; • ensure equality between municipalities and counties; • develop regional policy; • decentralize decision-making to local bodies; • improve the effectiveness of education services; • control, at central government level, the growth of expenditure in the local government sector.	In 1975, an amendment to the 1969 law on primary and secondary education required municipalities to provide education suitable for all children in the school attendance age range. The amendment also decentralized responsibility for defining school catchment areas. Both changes justified the delegation of financial responsibilities by the government to the municipalities. The system of block grants replaced a system of strongly centralized control (earmarked state grants for specific purposes). This system raised the following problems. First, the system of earmarked state grants for specific purposes and the distribution of these allocations were often too difficult to calculate and not sufficiently transparent. Secondly, the former method of funding, in which by far the greater part of expenditure was borne by the central government, encouraged the local government authorities to increase expenditure. The idea underlying this reform was that greater local autonomy would make it possible to identify the solutions and priorities best adapted to the local context, which would ensure greater efficiency in delivering public services better suited to the wishes of local communities and the local costs of factors of production – considerations to which municipalities and counties were well placed to respond. In the new system, local authorities were more responsible for implementing solutions and providing services. The principle of financial responsibility that constituted its ideological basis (the agent responsible for the practical decisions was also responsible for controlling expenditure and finance) was incompatible with previous funding methods.

REFORMS	AIMS	CONTEXT
1986 (2): Amendment of the Primary and Lower Secondary Act. Municipalities became responsible for drawing time allocations for special education. Certain resources formerly unrelated to the number of teaching hours laid down by the government, were incorporated into the basic time quota for each school allocated to it by the municipality. Municipalities were authorized to alter school catchment areas. In addition, they could close or merge schools without the prior approval of the chief county education officer.	• Develop the autonomy of municipalities in the use of resources; • decentralize decision-making to school level, by replacing certain allocations for specific purposes with a block grant.	This revision was an outcome of the reform of the grant system in the same year. The central government remained responsible for negotiations with teacher trade unions.
1992 (1): The New Local Government Act established greater freedom to delegate responsibility for decision-making involving school operations and management. Municipalities were no long required to have their own school boards or chief municipal education officers. Nonetheless, they still had to provide expertise at a level higher than that of the schools. Municipal councils were authorized to establish separate management councils for bodies such as schools and companies. The latter councils were empowered to take decisions regarding the operations and organization of the bodies concerned including, therefore, schools.	• Give municipalities and counties greater general freedom to perform their responsibilities in the way most suited to local conditions; • introduce central government directives relating to the minimum level of activity required of municipalities and counties; • bring the central administration of municipalities and counties within the scope of resolutions, rather than detailed management and control; • increase the scope for wholesale solutions transcending boundaries and administrative levels, and for cooperation between service providers; • enable the decentralization of decision-making to schools; • grant schools greater autonomy over decision-making related to finances.	This reform can be interpreted as a continuation of developments initiated in 1986. Following this reform, several municipalities became involved in pilot projects in which schools established their own management committees, assuming full responsibility for operational expenditure and the payment of their teaching staff. Schools were not allowed to take decisions on investment spending.

REFORMS	AIMS	CONTEXT
1992 (2): Amendment to the law of 1985 on private education. It defined more strictly the arrangements for payment of school fees.	• Guarantee that public support would benefit the pupils.	Private schools could not request support which, together with public support, exceeded expenditure at public-sector schools of a similar type.
1994: Minor adjustment to the system established in 1986. The system of municipal income now consisted of four grants, as follows:		The system established in 1986 and modified in 1994 gradually led to inequalities between municipalities, in particular because of the income-based system of taxation alongside the system of block grants and supplementary regional grants.
1. an income-equalizing grant, whereby each municipality was guaranteed a minimum income for each inhabitant, while municipalities which already possessed significant tax revenues (140% of the national average) were to receive a reduced grant;	• Reduce income inequalities (1);	
2. an expenditure-equalizing grant based on the principle of full compensation for justifiable expenditure over and above the estimated per capita funding requirement;	• Offset differences between estimated expenditure and real needs-based expenditure (2);	
3. an assessed grant;	• Offset both expenditure of an exceptional nature and loss of income, and provide for ongoing situations not covered by the income-equalizing and expenditure-equalizing grants (3);	
4. a North Norway grant.	• Develop regional policy (4).	

ACKNOWLEDGEMENTS

I. EURYDICE NETWORK

A. EURYDICE EUROPEAN UNIT

Rue d'Arlon 15
B-1050 Brussels
(http://www.eurydice.org)

Managing Editors: **Arlette Delhaxhe, Anne Godenir**

Authors of the comparative analysis: **Anne Godenir, Laurent Deutsch, Isabelle De Coster, Elizabeth Cassidy**

Assisted by: **Françoise Ashbourne, Jean-Luc Guyot**

Layout and graphics: **Patrice Brel**

Translation: **Brian Frost-Smith**

Secretariat: **Evelyn-Renée Damian**

Original edition in French

B. NATIONAL UNITS OF EURYDICE

Authors of the national contributions
(describing the current situation in each country) which were used for the study

EUROPEAN UNION

BELGIQUE / BELGIË

Unité francophone d'Eurydice
Ministère de la Communauté française
Direction générale des Relations internationales
Boulevard Leopold II, 44 – Bureau 6A/002
B-1080 Bruxelles
Contribution from the Unit: joint responsibility

Vlaamse Eurydice-Eenheid
Ministerie van de Vlaamse Gemeenschap
Departement Onderwijs
Afdeling Beleidscoördinatie
Hendrik Consciencegebouw 5 C 13
Koning Albert II – laan 15
B-1210 Brussel
Contribution from the Unit: joint responsibility
Contribution external to the Unit: colleagues of the Education Department (Afdeling Begroting en Gegevensbeheer, Afdeling Secundair Scholen, Afdeling Basis Scholen, Inspectie, AHOWO)

Agentur Eurydice
Ministerium der Deutschsprachigen Gemeinschaft
Agentur für Europäische Programme
Quartum Centre
Hütte 79 / Bk 28
B-4700 Eupen
Contribution from the Unit: joint responsibility
Contribution external to the Unit: Edi Kremer, Ministerium der Deutschsprachigen Gemeinschaft

DANMARK

Eurydice's Informationskontor i Danmark
Institutionsstyrelsen
Undervisningsministeriet
Frederiksholms Kanal 25 D
DK-1220 København K
Contribution from the Unit: joint responsibility
Contribution external to the Unit: Jens Andersen, Ministry of Education

BUNDESREPUBLIK DEUTSCHLAND
Eurydice - Informationsstelle im Sekretariat der Ständigen Konferenz der Kultusminister der Länder
Lennéstrasse 6
D-53113 Bonn
Contribution from the Unit: Gerdi Jonen

ELLADA
Eurydice Unit
Ministry of National Education and Religious Affairs
Direction CEE / Section C
Mitropoleos 15
EL-10185 Athens
Contribution from the Unit: Antigoni Faragoulitaki, Paraskevi Zigra

ESPAÑA
Unidad de Eurydice
Ministerio de Educación y Cultura
CIDE – Centro de Investigación y Documentación Educativa
c/General Oráa 55
E-28006 Madrid
Contribution from the Unit: Javier Murillo

FRANCE
Unité d'Eurydice
Ministère de l'Éducation nationale
Délégation aux Relations internationales et à la coopération
Centre de Ressources pour l'Information internationale
4, rue Danton – 75006 Paris
adresse postale :
110, rue de Grenelle
F-75357 Paris 07 SP
Contribution from the Unit: joint responsibility

IRELAND
Eurydice Unit
International Section
Department of Education and Science
Marlborough Street
Dublin 1
Ireland
Contribution from the Unit: joint responsibility

ITALIA
Unità di Eurydice
Ministero della Pubblica Istruzione
Biblioteca di Documentazione Pedagogica
Via Buonarroti 10
I-50122 Firenze
Contribution from the Unit: Daniela Nenci, Antonella Turchi
Contribution external to the Unit: Baldassare Gulotta, Amministrazione periferica del Ministero della Pubblica Istruzione

LUXEMBOURG
Unité nationale d'Eurydice
Ministère de la Culture, de l'Enseignement supérieur et de la Recherche (CEDIES)
280, Route de Longwy
L-1940 Luxembourg
Contribution from the Unit: joint responsibility
Contribution external to the Unit: Ministère de l'éducation nationale, de la formation professionnelle et des sports

NEDERLAND
Eurydice Eenheid Nederland
Afdeling Informatiediensten D073
Ministerie van Onderwijs, Cultuur en Wetenschappen
Postbus 25000 - Europaweg 4
2700 LZ Zoetermeer
Nederland
Contribution from the Unit: joint responsibility, Anneke van Dorp, Raymond van der Ree (coordination)

ÖSTERREICH
Eurydice Unit
Bundesministerium für Bildung, Wissenschaft und Kultur
Abt. I/6b
Minoritenplatz 5
A-1014 Wien
Contribution from the Unit: joint responsibility

PORTUGAL
Unidade de Eurydice
Ministério da Educação
Departamento de Avaliação, Prospectiva e Planeamento (DAPP)
Av. 24 de Julho 134
P-1350 Lisboa
Contribution from the Unit: Ana Machado de Araújo, Margarida Madureira
Contribution external to the Unit: Gabriela Faria dos Santos, GEF, Ministério da Educação

SUOMI / FINLAND
Eurydice Finland
National Board of Education
Hakaniemenkatu 2
P.O. Box 380
FIN-00530 Helsinki
Contribution from the Unit: Kimmo Hämäläinen

SVERIGE
Eurydice Unit
Ministry of Education and Science
Drottninggatan 16
S-10333 Stockholm
Contribution from the Unit: Bodil Bergman

UNITED KINGDOM
Eurydice Unit for England, Wales and Northern Ireland
National Foundation for Educational Research
The Mere, Upton Park
Slough, Berkshire SL1 2DQ
United Kingdom
Contribution from the Unit: joint responsibility
Contribution external to the Unit: colleagues of the Department for Education and Employment (DfEE), the Department of Education (Northern Ireland) and of the National Assembly for Wales (Education Department)

Eurydice Unit, Scotland
The Scottish Executive Education Department
International Relations Branch
Floor 2, Area A, Victoria Quay
Edinburgh EH6 6QQ
United Kingdom
Contribution from the Unit: joint responsibility

EFTA/EEA COUNTRIES

ÍSLAND
Eurydice Unit
Ministry of Education, Science and Culture
Sölvholsgata 4
IS-150 Reykjavik
Contribution from the Unit: Margrét Harðardóttir
Contribution external to the Unit: Guðni Olgeirsson, Ministry of Education, Science and Culture

LIECHTENSTEIN
National Unit of Eurydice
Schulamt
Herrengasse 2
FL-9490 Vaduz
Contribution from the Unit: joint responsibility

NORGE
Eurydice Unit
Norway Ministry of Education
Research and Church Affairs
P.O. Box 8119 Dep. - Akersgaten 44
N-0032 Oslo
Contribution from the Unit: joint responsibility
Contribution external to the Unit: Rolf Hekneby, Norway Ministry of Education

II. EURYDICE NATIONAL EXPERTS

(designated by the Socrates Committee)

Authors of the national contributions
(clarifying historical and contextual aspects) which were used for the study

EUROPEAN UNION

BELGIQUE / BELGIË
Robert Deschamps
Faculté des sciences économiques, sociales et de gestion
Facultés universitaires Notre-Dame de la Paix
Rempart de la Vierge 8
B-5000 Namur

Françoise Thys-Clément / Benoît Bayenet
Centre de l'économie de l'éducation
Université libre de Bruxelles
CP 140
Avenue Franklin Roosevelt 50
B-1050 Bruxelles

Ides Nicaise / Joost Bollens
HIVA – Hoger Instituut voor de Arbeid
Katholieke Universiteit Leuven
E. Van Evenstraat 2E
B-3000 Leuven

DANMARK
Jesper Rasmussen
Ministry of Education
National Authority for Institutional Affairs
Frederiksholms Kanal 25 D
DK-1220 Kobenhavn K

BUNDESREPUBLIK DEUTSCHLAND
Walter Bröcker
Ministerium für Schule, Wissenschaft und Forschung des Landes Nordrhein-Westfalen
Völklinger Strasse 49
D-40221 Düsseldorf

Gabriele Bellenberg
Fachbereich II
Universität Essen
Universitätsstraße 11
D-45117 Essen

ELLADA
Panayota Vorloou (initial report)
Drève de Rembucher 48
B-1170 Bruxelles

ESPAÑA
Francisco Bosch Font
Guadanalmtica S.A
Angel Muqoz 12 – Esc. 3, 3 :D
E-28043 Madrid

FRANCE
Jean-Claude Eicher / Thierry Chevaillier
IREDU-CNRS
Université de Bourgogne
Avenue Alain Savary 9
B.P. 47870
F-21078 Dijon Cedex

IRELAND
Seamus McGuinness
Department of Education
Trinity College Dublin
Room 3094, Arts Building
Dublin 2
Ireland

ITALIA
Maria Gemma De Sanctis
Ministero della Pubblica Istruzione
Viale Trastevere 76A
I-00153 Roma

LUXEMBOURG
Jeff Kintzelé
Bd Général Patton 158
L-2316 Luxembourg

NEDERLAND
Hans Vossensteyn
Center for Higher Education Policy Studies – CHEPS
Universiteit Twente
Drienerlolaan 5
P.O. Box 217
7500 AE Enschede
Nederland

ÖSTERREICH
Hans Pechar
Institut für Interdisziplinäre Forschung und Fortbildung
Siebensterngasse 42/10
A-1070 Wien

PORTUGAL
Antonieta Bastos Rodrigues
Ministério de Educação
Conselho Nacional de Avaliação do Ensino Superior
Praça das Industrias Edificio Rosa 2°
P-1300 Lisboa

SUOMI / FINLAND
Matti Väisänen
Ministry of Education
P.O. Box 29
Meritullinkatu 10
F-00023 Government

SVERIGE
Jessica Bylund / Eva Hjortendal-Hellman / Lena Linnerborg
Ministry of Education and Science
Divisions for Schools
Drottninggatan 16
S-10333 Stockholm

UNITED KINGDOM / England, Wales and Northern Ireland
Mike Nichol
Hazelwood, 73 Plymyard Avenue
Bromborough
Wirral CH62 6BL
United Kingdom

Joanna Le Métais
NFER
The Mere, Upton Park
Slough, Berkshire, SL1 2DQ
United Kingdom

UNITED KINGDOM / Scotland
John Mitchell
141 Vancouver Drive
Westwood, East Kilbride
Glasgow G75 8NL
United Kingdom

EEA/EFTA COUNTRIES

ÍSLAND
Björn R. Guðmundsson
Ministry of Finance
Arnarhvoll
IS-150 Reykjavik

LIECHTENSTEIN
National Unit of Eurydice
Schulamt
Herrengasse 2
FL-9490 Vaduz

NORGE
Jøran Toresen
Norwegian Institute for Urban and
Regional Research (NIBR)
P.O. Box 44-Blindern
Gaustad Alleen 21
N-0313 Oslo

III. EUROSTAT CONTACT POINTS

UOE (UNESCO/OECD/EUROSTAT) data providers on educational expenditure

Office Statistique des Communautés Européennes
Bâtiment Joseph Bech
L-2721 Luxembourg

Collaboration in the preparation of the statistical indicators used in the study (Section 2 of the General Introduction): **Joaquim Silva Pereira**

EUROPEAN UNION

BELGIQUE / BELGIË
Johan Lasuy
Ministry of the Flemish Community
Education Department
Koning Albert II – laan
B-1210 Brussels

DANMARK
Ken Thomassen
Undervisnings Ministeriet
Frederiksholms Kanal 25
DK-1220 Copenhagen OE

BUNDESREPUBLIK DEUTSCHLAND
Pascal Schmidt
Statistisches Bundesamt
Gustav-Stresemann-Ring 11
D-65180 Wiesbaden

ELLADA
Christos Kitsos
c/o Greek EURYDICE Unit
Ministry of National Education and Religious Affairs
Mitropoleos 15
EL-101 85 Athens

ESPAÑA
Jesus Ibañiez
Ministerio de Educación y Cultura
Oficina de Planificación y Estadística
Calle Alfonso XII, 3-5
E-28014 Madrid

FRANCE
Pierre Fallourd
Ministère de l'éducation nationale
Direction de la programmation et
du développement
58 boulevard du Lycée
F-9270 Vanves

IRELAND
Mary Dunne
Department of Education
Irish Life Centre, Block 1
Lower Abbey St
Dublin 1
Ireland

ITALIA
Maria Gemma De Sanctis
Ministero della Publica Istruzione
Servizio Statistico
Viale Trastevere 76/A
I-00153 Roma

LUXEMBOURG
Jérome Levy
Ministère de l'éducation nationale
et de la formation professionnelle
29, rue Aldringen
L-2926 Luxembourg

NEDERLAND
Max Van Herpen
Central Bureau voor de Statistiek
Prinses Beatrixlaan 428
2270 AZ Voorburg
Nederland

ÖSTERREICH
Wolfgang Pauli
Statistik Österreich
Hintere Zollamtstr. 2 B
A-1030 Wien

PORTUGAL
João Pereira De Matos
Ministério da Educação – GEF
Av. 24 de Julho, 134 -3°
P-1399-029 Lisboa

SUOMI / FINLAND
Mika Tuononen
Työpajakatu 13
FIN-00022 Helsinki

SVERIGE
Eva Bolin
Statistics Sweden
S-701 89 Örebro

UNITED KINGDOM
Stephen Mowbray / John Canlin
Department of Education and Employment
Staindrop Road
Darlington DL3 9QY
United Kingdom

EFTA/EEA COUNTRIES

ÍSLAND
Asta Urbancic
Statistics Iceland
Skuggasundi 3
IS-150 Reykjavik

NORGE
Elisabetta Vassenden
Statistics Norway
Oterveien 23
N-2201 Kongsvinger

European Commission

Key topics in education in Europe

Volume 2 Financing and management of resources in Compulsory Education
Trends and debates

Luxembourg: Office for Official Publications of the European Communities

2000 — 410 p. — 21 x 29.7 cm

ISBN 92-828-8540-2

Price (excluding VAT) in Luxembourg: EUR 28

Venta • Salg • Verkauf • Πωλήσεις • Sales • Vente • Vendita • Verkoop • Venda • Myynti • Försäljning
http://eur-op.eu.int/general/en/s-ad.htm

BELGIQUE/BELGIË

Jean De Lannoy
Avenue du Roi 202/Koningslaan 202
B-1190 Bruxelles/Brussel
Tél. (32-2) 538 43 08
Fax (32-2) 538 08 41
E-mail: jean.de.lannoy@infoboard.be
URL: http://www.jean-de-lannoy.be

La librairie européenne/De Europese Boekhandel
Rue de la Loi 244/Wetstraat 244
B-1040 Bruxelles/Brussel
Tél. (32-2) 295 26 39
Fax (32-2) 735 08 60
E-mail: mail@libeurop.be
URL: http://www.libeurop.be

Moniteur belge/Belgisch Staatsblad
Rue de Louvain 40-42/Leuvenseweg 40-42
B-1000 Bruxelles/Brussel
Tél. (32-2) 552 22 11
Fax (32-2) 511 01 84
E-mail: eusales@just.fgov.be

DANMARK

J. H. Schultz Information A/S
Herstedvang 12
DK-2620 Albertslund
Tlf. (45) 43 63 23 00
Fax (45) 43 63 19 69
E-mail: schultz@schultz.dk
URL: http://www.schultz.dk

DEUTSCHLAND

Bundesanzeiger Verlag GmbH
Vertriebsabteilung
Amsterdamer Straße 192
D-50735 Köln
Tel. (49-221) 97 66 80
Fax (49-221) 97 66 82 78
E-Mail: vertrieb@bundesanzeiger.de
URL: http://www.bundesanzeiger.de

ΕΛΛΑΔΑ/GREECE

G. C. Eleftheroudakis SA
International Bookstore
Panepistimiou 17
GR-10564 Athina
Tel. (30-1) 331 41 80/1/2/3/4/5
Fax (30-1) 323 98 21
E-mail: elebooks@netor.gr

ESPAÑA

Boletín Oficial del Estado
Trafalgar, 27
E-28071 Madrid
Tel. (34) 915 38 21 11 (libros),
913 84 17 15 (suscripción)
Fax (34) 915 38 21 21 (libros),
913 84 17 14 (suscripción)
E-mail: clientes@com.boe.es
URL: http://www.boe.es

Mundi Prensa Libros, SA
Castelló, 37
E-28001 Madrid
Tel. (34) 914 36 37 00
Fax (34) 915 75 39 98
E-mail: libreria@mundiprensa.es
URL: http://www.mundiprensa.com

FRANCE

Journal officiel
Service des publications des CE
26, rue Desaix
F-75727 Paris Cedex 15
Tél. (33) 140 58 77 31
Fax (33) 140 58 77 00
E-mail: europublications@journal-officiel.gouv.fr
URL: http://www.journal-officiel.gouv.fr

IRELAND

Alan Hanna's Bookshop
270 LR Rathmines Road
Dublin 6
Tel. (353-1) 496 73 98
Fax (353-1) 496 02 28
E-mail: hannas@iol.ie

ITALIA

Licosa SpA
Via Duca di Calabria, 1/1
Casella postale 552
I-50125 Firenze
Tel. (39) 055 64 83 1
Fax (39) 055 64 12 57
E-mail: licosa@licosa.com
URL: http://www.licosa.com

LUXEMBOURG

Messageries du livre SARL
5, rue Raiffeisen
L-2411 Luxembourg
Tél. (352) 40 10 20
Fax (352) 49 06 61
E-mail: mail@mdl.lu
URL: http://www.mdl.lu

NEDERLAND

SDU Servicecentrum Uitgevers
Christoffel Plantijnstraat 2
Postbus 20014
2500 EA Den Haag
Tel. (31-70) 378 98 80
Fax (31-70) 378 97 83
E-mail: sdu@sdu.nl
URL: http://www.sdu.nl

ÖSTERREICH

Manz'sche Verlags- und Universitätsbuchhandlung GmbH
Kohlmarkt 16
A-1014 Wien
Tel. (43-1) 53 16 11 00
Fax (43-1) 53 16 11 67
E-Mail: manz@schwinge.at
URL: http://www.manz.at

PORTUGAL

Distribuidora de Livros Bertrand Ld.ª
Grupo Bertrand, SA
Rua das Terras dos Vales, 4-A
Apartado 60037
P-2700 Amadora
Tel. (351) 214 95 87 87
Fax (351) 214 96 02 55
E-mail: dlb@ip.pt

Imprensa Nacional-Casa da Moeda, SA
Sector de Publicações Oficiais
Rua da Escola Politécnica, 135
P-1250-100 Lisboa Codex
Tel. (351) 213 94 57 00
Fax (351) 213 94 57 50
E-mail: spoce@incm.pt
URL: http://www.incm.pt

SUOMI/FINLAND

Akateeminen Kirjakauppa/Akademiska Bokhandeln
Keskuskatu 1/Centralgatan 1
PL/PB 128
FIN-00101 Helsinki/Helsingfors
P./tfn (358-9) 121 44 18
F./fax (358-9) 121 44 35
Sähköposti: sps@akateeminen.com
URL: http://www.akateeminen.com

SVERIGE

BTJ AB
Traktorvägen 11-13
S-221 82 Lund
Tfn. (46-46) 18 00 00
Fax (46-46) 30 79 47
E-post: btjeu-pub@btj.se
URL: http://www.btj.se

UNITED KINGDOM

The Stationery Office Ltd
Customer Services
PO Box 29
Norwich NR3 1GN
Tel. (44) 870 60 05-522
Fax (44) 870 60 05-533
E-mail: book.orders@theso.co.uk
URL: http://www.itsofficial.net

ÍSLAND

Bokabud Larusar Blöndal
Skólavördustig, 2
IS-101 Reykjavik
Tel. (354) 552 55 40
Fax (354) 552 55 60
E-mail: bokabud@simnet.is

NORGE

Swets Blackwell AS
Østenjoveien 18
Boks 6512 Etterstad
N-0606 Oslo
Tel. (47-22) 97 45 00
Fax (47-22) 97 45 45
E-mail: info@no.swetsblackwell.com

SCHWEIZ/SUISSE/SVIZZERA

Euro Info Center Schweiz
c/o OSEC
Stampfenbachstraße 85
PF 492
CH-8035 Zürich
Tel. (41-1) 365 53 15
Fax (41-1) 365 54 11
E-mail: eics@osec.ch
URL: http://www.osec.ch/eics

BĂLGARIJA

Europress Euromedia Ltd
59, blvd Vitosha
BG-1000 Sofia
Tel. (359-2) 980 37 66
Fax (359-2) 980 42 30
E-mail: Milena@mbox.cit.bg

ČESKÁ REPUBLIKA

ÚSIS
odd. Publikaci
Havelkova 22
CZ-130 00 Praha 3
Tel. (420-2) 24 23 14 86
Fax (420-2) 24 23 11 14
E-mail: publikace@usiscr.cz
URL: http://www.usiscr.cz

CYPRUS

Cyprus Chamber of Commerce and Industry
PO Box 21455
CY-1509 Nicosia
Tel. (357-2) 88 97 52
Fax (357-2) 66 10 44
E-mail: demetrap@ccci.org.cy

EESTI

Eesti Kaubandus-Tööstuskoda
(Estonian Chamber of Commerce and Industry)
Toom-Kooli 17
EE-0001 Tallinn
Tel. (372) 646 02 44
Fax (372) 646 02 45
E-mail: einfo@koda.ee
URL: http://www.koda.ee

HRVATSKA

Mediatrade Ltd
Pavla Hatza 1
HR-10000 Zagreb
Tel. (385-1) 481 94 11
Fax (385-1) 481 94 11

MAGYARORSZÁG

Euro Info Service
Expo tér 1
Hungexpo Európa Központ
PO Box 44
H-1101 Budapest
Tel. (36-1) 264 82 70
Fax (36-1) 264 82 75
E-mail: euroinfo@euroinfo.hu
URL: http://www.euroinfo.hu

MALTA

Miller Distributors Ltd
Malta International Airport
PO Box 25
Luqa LQA 05
Tel. (356) 66 44 88
Fax (356) 67 67 99
E-mail: gwirth@usa.net

POLSKA

Ars Polona
Krakowskie Przedmiescie 7
Skr. pocztowa 1001
PL-00-950 Warszawa
Tel. (48-22) 826 12 01
Fax (48-22) 826 62 40
E-mail: books119@arspolona.com.pl

ROMÂNIA

Euromedia
Str.Dr. Marcovici, 9, sector 1
RO-70749 Bucuresti
Tel. (40-1) 315 44 03
Fax (40-1) 315 44 03
E-mail: euromedia@mailcity.com

ROSSIYA

CCEC
60-letiya Oktyabrya Av. 9
117312 Moscow
Tel. (7-095) 135 52 27
Fax (7-095) 135 52 27

SLOVAKIA

Centrum VTI SR
Nám. Slobody, 19
SK-81223 Bratislava
Tel. (421-7) 54 41 83 64
Fax (421-7) 54 41 83 64
E-mail: europ@tbb1.sltk.stuba.sk
URL: http://www.sltk.stuba.sk

SLOVENIJA

Gospodarski Vestnik
Dunajska cesta 5
SLO-1000 Ljubljana
Tel. (386) 613 09 16 40
Fax (386) 613 09 16 45
E-mail: europ@gvestnik.si
URL: http://www.gvestnik.si

TÜRKIYE

Dünya Infotel AS
100, Yil Mahallessi 34440
TR-80050 Bagcilar-Istanbul
Tel. (90-212) 629 46 89
Fax (90-212) 629 46 27
E-mail: infotel@dunya-gazete.com.tr

ARGENTINA

World Publications SA
Av. Cordoba 1877
C1120 AAA Buenos Aires
Tel. (54-11) 48 15 81 56
Fax (54-11) 48 15 81 56
E-mail: wpbooks@infovia.com.ar
URL: http://www.wpbooks.com.ar

AUSTRALIA

Hunter Publications
PO Box 404
3067 Abbotsford, Victoria
Tel. (61-3) 94 17 53 61
Fax (61-3) 94 19 71 54
E-mail: jpdavies@ozemail.com.au

CANADA

Les éditions La Liberté Inc.
3020, chemin Sainte-Foy
G1X 3V6 Sainte-Foy, Québec
Tel. (1-418) 658 37 63
Fax (1-800) 567 54 49
E-mail: liberte@mediom.qc.ca

Renouf Publishing Co. Ltd
5369 Chemin Canotek Road Unit 1
K1J 9J3 Ottawa, Ontario
Tel. (1-613) 745 26 65
Fax (1-613) 745 76 60
E-mail: order.dept@renoufbooks.com
URL: http://www.renoufbooks.com

EGYPT

The Middle East Observer
41 Sherif Street
Cairo
Tel. (20-2) 392 69 19
Fax (20-2) 393 97 32
E-mail: inquiry@meobserver.com
URL: http://www.meobserver.com.eg

INDIA

EBIC India
3rd Floor, Y. B. Chavan Centre
Gen. J. Bhosale Marg.
400 021 Mumbai
Tel. (91-22) 282 60 64
Fax (91-22) 285 45 64
E-mail: ebic@giasbm01.vsnl.net.in
URL: http://www.ebicindia.com

JAPAN

PSI-Japan
Asahi Sanbancho Plaza #206
7-1 Sanbancho, Chiyoda-ku
Tokyo 102
Tel. (81-3) 32 34 69 21
Fax (81-3) 32 34 69 15
E-mail: books@psi-japan.co.jp
URL: http://www.psi-japan.co.jp

MALAYSIA

EBIC Malaysia
Suite 45.02, Level 45
Plaza MBf (Letter Box 45)
8 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. (60-3) 21 62 62 98
Fax (60-3) 21 62 61 98
E-mail: ebic-kl@mol.net.my

MÉXICO

Mundi Prensa México, SA de CV
Río Pánuco, 141
Colonia Cuauhtémoc
MX-06500 México, DF
Tel. (52-5) 533 56 58
Fax (52-5) 514 67 99
E-mail: 101545.2361@compuserve.com

PHILIPPINES

EBIC Philippines
19th Floor, PS Bank Tower
Sen. Gil J. Puyat Ave. cor. Tindalo St.
Makati City
Metro Manilla
Tel. (63-2) 759 66 80
Fax (63-2) 759 66 90
E-mail: eccpcom@globe.com.ph
URL: http://www.eccp.com

SOUTH AFRICA

Eurochamber of Commerce in South Africa
PO Box 781738
2146 Sandton
Tel. (27-11) 884 39 52
Fax (27-11) 883 55 73
E-mail: info@eurochamber.co.za

SOUTH KOREA

The European Union Chamber of Commerce in Korea
5th Fl, The Shilla Hotel
202, Jangchung-dong 2 Ga, Chung-ku
100-392 Seoul
Tel. (82-2) 22 53-5631/4
Fax (82-2) 22 53-5635/6
E-mail: eucck@eucck.org
URL: http://www.eucck.org

SRI LANKA

EBIC Sri Lanka
Trans Asia Hotel
115 Sir chittampalam
A. Gardiner Mawatha
Colombo 2
Tel. (94-1) 074 71 50 78
Fax (94-1) 44 87 79
E-mail: ebicsl@itmin.com

UNITED STATES OF AMERICA

Bernan Associates
4611-F Assembly Drive
Lanham MD20706
Tel. (1-800) 274 44 47 (toll free telephone)
Fax (1-800) 865 34 50 (toll free fax)
E-mail: query@bernan.com
URL: http://www.bernan.com

ANDERE LÄNDER/OTHER COUNTRIES/AUTRES PAYS

Bitte wenden Sie sich an ein Büro Ihrer Wahl/Please contact the sales office of your choice/Veuillez vous adresser au bureau de vente de votre choix

Office for Official Publications of the European Communities
2, rue Mercier
L-2985 Luxembourg
Tel. (352) 29 29-42455
Fax (352) 29 29-42758
E-mail: info.info@cec.eu.int
URL: http://eur-op.eu.int

9/2000

BEST COPY AVAILABLE

17 C2-23-99-605-EN-C

Price (excluding VAT) in Luxembourg: EUR 28

ISBN 92-828-8540-2

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

9 789282 885406

519